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SATURDAY NIGHT

VOL. 57 NO. 30 TORONTO, CANADA

APRIL 4 1942

THE CANADIAN ILLUSTRATED WEEKLY

The Front Page

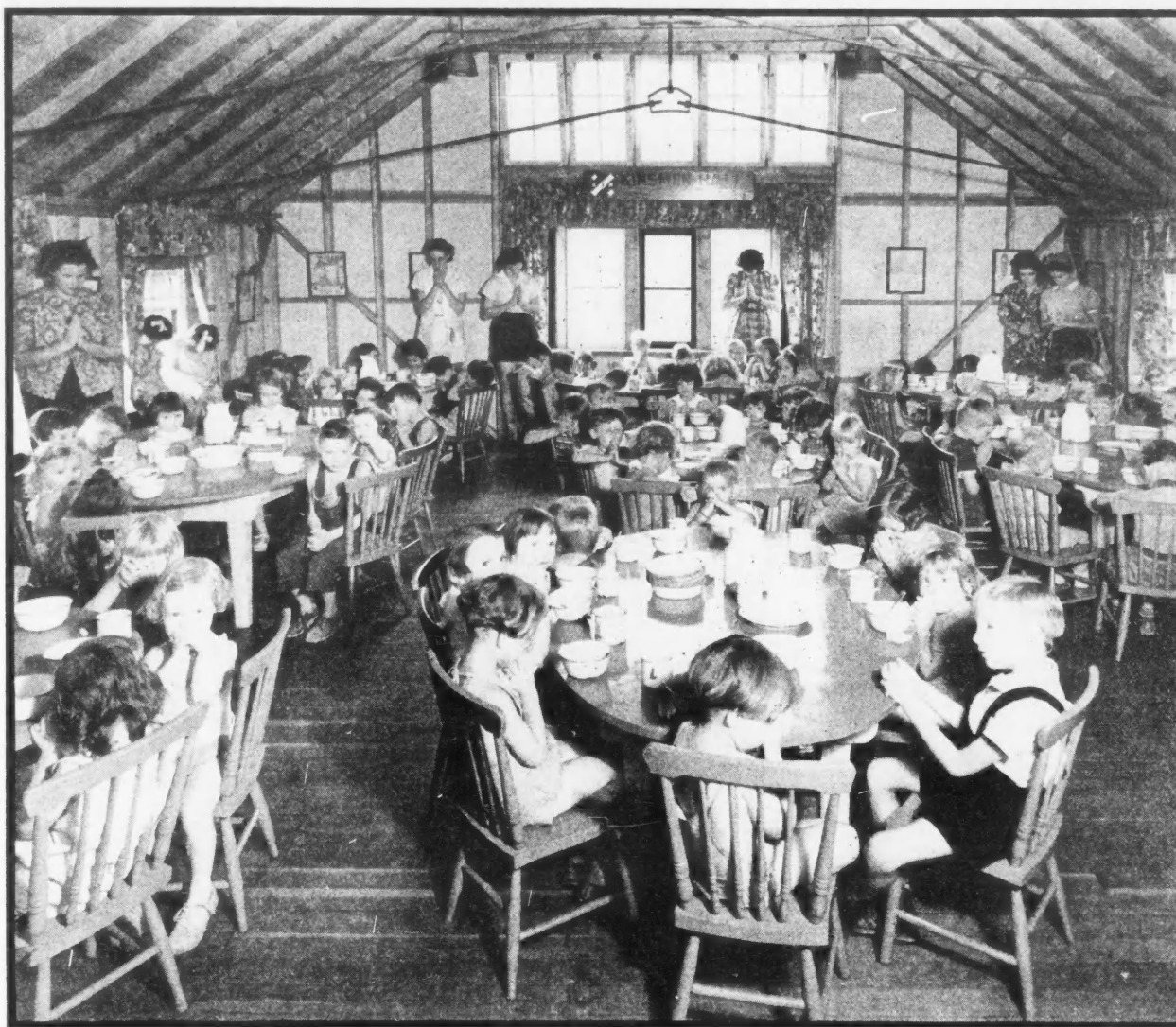
MR. DONALD GORDON in his talk to the Canadian and Empire Clubs of Toronto on Monday referred to his hope that he would, when his present task is done, be permitted to retire into "the placidity of obscurity." Whatever he may think about it, there isn't any such hope. Mr. Gordon is not the kind of man whom an alert democracy, having once discovered him, will ever permit to retire into obscurity. It is a little difficult to say just what quality it is that makes such an impact upon all who come in contact with him; but it may be his capacity for stating new, and in themselves not very popular, ideas with a clarity and a force which compel willing acceptance. A man who can tell a crowded Royal York diningroom that competition is out for the duration of the war and get an ovation for doing so is obviously somebody.

Mr. Gordon made it pretty clear that he is no Socialist, and does not object to competition in any time except a time of total war. But he also made it clear that in his mind total war and competition were mutually exclusive terms, and that total war was absolutely necessary against enemies who wage total war. The alternative to competition as the regulator of the processes of production and distribution is obviously control, and control which goes far beyond the limits of mere price control and extends into control of practically every operation of business. Mr. Gordon is ready to exercise that control, and is bringing it into effect as fast as he thinks the nation's economy will stand it. One strong point in his favor is the general confidence that he will apply his controls as fairly as possible, so that on the restoration of a free economy after the war the various competitors of the present time will find themselves in much the same position relatively to one-another as they are now. Nobody thinks of him as a man who wants to liquidate the system of private enterprise; indeed his whole object is to utilize that system as fully as possible during the war, by getting the enterprisers to carry on their businesses (to the extent to which each of them is adjudged useful in wartime) rather as agents for the government than as independent operators, and rather in collaboration than in competition.

Mr. Gordon's argument for the necessity of this far-reaching change is pretty convincing. The Axis, he points out, is not fighting this war without hope of winning it; and the Axis' hope of winning it depends simply and solely upon one thing—the confidence that the democracies will not be able to wage total war within the time limit necessary for their victory. Total war is a very much larger matter than merely conscripting every able-bodied young man for the army; it is a very much larger matter even than conscripting wealth. It is directing every effort to the one end, of maximum damage to the enemy.

Orders-in-Council

IT MUST be confessed that it is an odd situation in which the whole economy of Canada is being drastically made over by Mr. Donald Gordon—acting of course under authority conferred upon him by various orders-in-council of the Government—without the principles of its making-over having been ever discussed for five minutes in the House of Commons. We are not suggesting that the House of Commons would have improved those principles, or would even have altered them in any way. We are merely noting a tendency in our current political life and wondering where it will



KINSMAN DINING HALL AT BOLTON CAMP NEAR TORONTO.
See article on pages 4 and 5.

land us before it stops. Mr. Gordon, no doubt with the approval of the Government, has adopted the principle of letting industry regiment itself through the agency of top men in the various particular industries, each functioning for his own industry; and he expresses himself as being very well pleased with the results. He is no doubt animated in this decision by the desire to interfere as little as possible with the existing set-up in the industries, and so far he is probably right in thinking that the method has worked well. But it is putting too much faith in human nature to believe that it will work perfectly in every instance; and if it leads to serious trouble in certain industries and in certain aspects the Government will not be able to transfer any of its responsibility to the elected representatives of the people; it will have to shoulder the whole blame itself. And there may be a lot.

It must be remembered that the men in charge of Canadian industry, from whom these self-regimenters are picked, do not include any representatives of, and do not owe any respon-

sibility to, the workers employed in those industries. They do not include any representatives of, and do not owe any responsibility to, the consuming public, but this is less serious, because the Government itself may be assumed to hold at least a watching brief for that public. We are not at all sure that agriculture, which will ultimately be much more closely affected by the new system than it is today, has many representatives or many watching-brief holders in the new system. As for the Conservative party, with its more than 40 per cent of the electorate, the C.C.F. party and the New Democracy, they have as little responsibility in these matters as the pages in the House of Commons or the animals in the Toronto Zoo.

It is an odd situation, and a rather disquieting one, and if we were the Government we should be trying right now to spread our responsibility for these matters over as wide an area of the elected representatives of the people as possible, and to enlist in our executive agencies as diverse an aggregation of employ-

Milk for Britain

See page 4

ers and employees, farmers and consumers, as we could possibly lay our hands on. That way lies safety for the future; any other way lies grave risk.

Essentials

THERE seems to be a good deal of confusion in the mind of the Government as to what is and what is not an essential industry. Education is at present not included in the essential list; but we can hardly imagine that this will be a permanent situation. The periodical press is not included in the essential list, so far as production is concerned; its workers are as much liable to redistribution in the manpower scheme as those of the dance halls and the beverage rooms—and the schools. When it comes to consumption, however, the periodical press is so essential that nothing must be allowed to disturb the price at which the Canadian consumer can buy, not only the Canadian periodicals, but also various United States periodicals which have actually raised their price to their own domestic consumers and are being actually "dumped" in Canada (by compulsion of the Canadian government) at a price lower than that at which they sell in the United States.

The price ceiling is a device for keeping down the cost of living in Canada and thus heading off inflation. We are entirely in favor of it. But no reasonable calculation of the cost of living in Canada would be raised by one-thousandth of a cent if the *Saturday Evening Post* were sold here at eleven cents, the Canadian equivalent of its present American price, instead of seven cents, the price at which it sold in the basic period. The periodical until recently edited by Mr. Wesley Winans Stout is not a necessity of life for Canadians; it is very emphatically a non-essential. Some people even regard it as a nuisance. The extent to which United States periodicals of that and other types are sold in Canada is one of the main reasons why Canada has not a better supply of national periodicals of her own—and a better national spirit as a result of them.

Logically speaking, if it is necessary that the Canadian people should continue to get the *Saturday Evening Post* at the October price, we presume that supposing the Curtis people declined to sell it to Canadians for less than to Americans the Canadian government would have to bonus its importation, as it is already bonusing that of several other commodities.

The Ajax Club

THE rumour about the cancellation of the beer license of the Ajax Club in Halifax is not an isolated phenomenon; it is a symptom of a very general state of maladjustment. Halifax, which alternates between periods of extreme activity in war and relative quietude in peace, is in its more quiet moments a pleasant provincial city not unlike several of the smaller ports on the adjacent New England coast. But at the present moment it is one of the greatest ports of the world, and its harbor (we trust we are revealing no military secrets) is from time to time crammed with vessels of various sorts whose business is the transportation of what is needed in war to the place where it is needed.

The legislation on the subject of alcoholic beverages which is suitable for Halifax in its peacetime quality is thoroughly unsuitable for Halifax in the period of war. This legislation

(Continued on Page Three)

FEATURES IN THIS ISSUE

Hitler Must Retreat in Russia.....	Henry Peterson	6
MacArthur For President?.....	L. S. B. Shapiro	8
A Frenchman's View of Riom.....	Henri Laugier	9
"This England".....	Audrey Alexandra Brown	29

India's Freedom; and the Commandos.....	Willson Woodside	12
The Moslems Are Not a Problem.....	Herbert A. Mowat	14
Shall I Sign the Contract, Daddy?.....	Kimball McIlroy	18

THE BUSINESS FRONT

Make Gold Useful.....	W. A. McKague	30
Should We Kill Our Cow?.....	P. M. Richards	30
Better Fire Protection Required.....	George Gilbert	34
British Manpower.....	Gilbert C. Layton	35

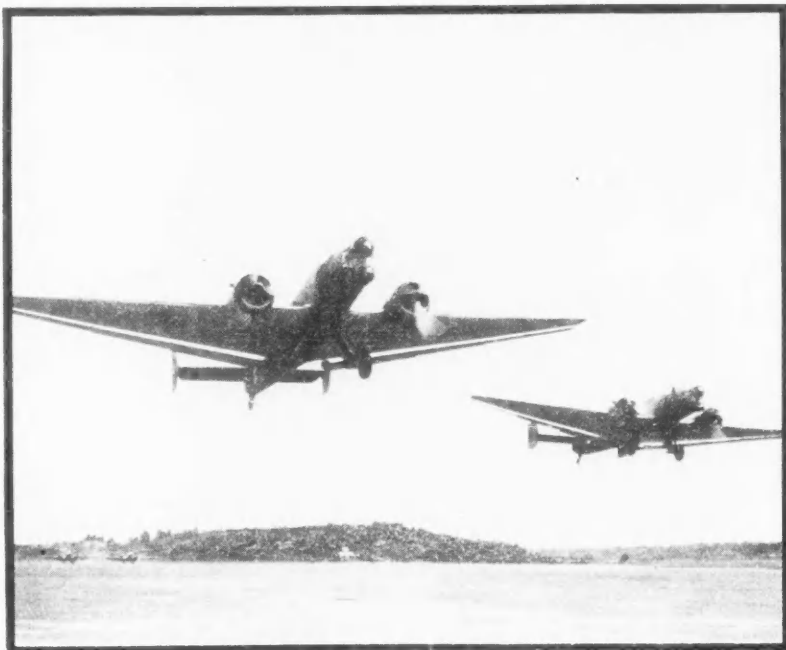
After you finish reading SATURDAY NIGHT why not mail to a member of the fighting services in Canada or Overseas. Just paste address label over your own—affix 2c stamp up to 44 pages, 3c for a larger issue—and mail. It will be appreciated—immensely.

Swedes Look to Defences as Nazi Eyes Turn North

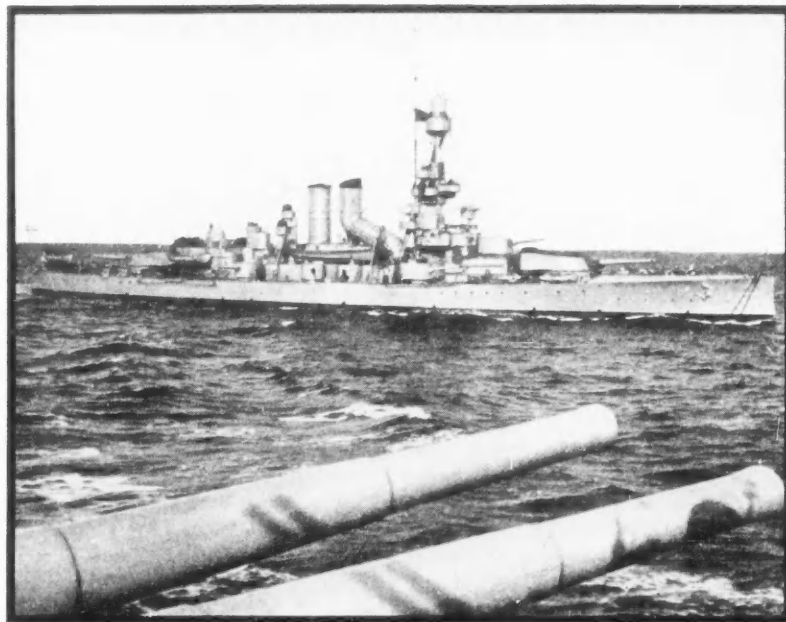
Reports of Nazi troop movements along the Swedish-Norwegian border suggest the only technically neutral Scandinavian nation may soon feel the force of German arms. Possible reason for invasion might be that Germany expects an Allied full-dress assault against Norway and plans to forestall any attempt at co-operation by Sweden. Described by some observers as a "crisis", the present threat might be dissolved if Sweden were to partially comply with Nazi demands as she did in 1940, rather than endure attack and probable defeat such as that suffered by Norway. Could Sweden successfully resist a German invasion attempt? Her leaders seem to think so. There are many evidences that Sweden is putting her defences in order on a big scale. Recent reports tell of almost all her fighting manpower being mobilized; of her air force being groomed to meet the Luftwaffe; of coastal patrol vessels watching the fjords for Nazi invasion barges. Sweden's hour of peril may be near. If she fights, it will be with men, equipment as shown below.



Swedish troops on manoeuvres. Total army force is placed at 400,000.



Heavy bombers take off for a test flight. Others warm up on ground.



Coastal defence vessels compose Sweden's navy. Note peculiar funnel.

DEAR MR. EDITOR

Are We Canadians a Nation?

Editor SATURDAY NIGHT:

READING an article in your paper entitled "Is Canada Really a Nation?" by L. S. B. Shapiro urges me to take up my pen.

I am a Canadian, born in Banff, Alberta, in 1891, have travelled far and wide in Canada, and I think may be taken as an ordinary citizen.

How can we really be a nation as long as we have the inferiority complex we have?—A complex developed from long years of bowing to the U.S.A.

We float a \$600,000,000 loan, a loan which must come from deep down in every citizen's pocket, and we are told if we love and respect our country we will gladly do this. How inconsistent our Government is and always has been, for how can any people feel anything for a country they know so little of and hear so little about? You or anyone else can go into any moving picture in Canada, from Halifax to Victoria, and how much do you see or hear about Canada? Sometimes never a word. Surely any country of as little importance as that hardly inspires its youth to noble heights.

Imagine a country at war as we have been for two years, building as we have one of the finest navies, an air force than which there is none better, and likewise our army, and yet we must be so insulted as to have people who have done none of these things come over and tell us what to do. Small wonder they look upon us as they do with contempt.

Imagine the U.S.A. and its reaction were Mackenzie King to speak to them and set into action any loan of theirs. It's time our leaders and newspapers set about building up in this country a new national spirit by simply educating the people of Canada to their heritage, of which there is none finer in all the world.

No, Mr. Shapiro, we have no national spirit in one sense, but were you to travel as I have across Canada three times since war began, once flying from Victoria to Montreal, you would know we have a deeper national spirit than anyone dyed in Americanism might be able to see.

As I look at our men in the forces, privates or officers, and see what this country has produced, both physically and mentally, I am, it seems to me, looking at a national spirit that makes a lump rise in my throat. Yes, as I walk the streets of Victoria and pass as I do each day dozens and dozens of our men in navy blue, fine clear-eyed boys, and read in the daily papers name after name of those who have given their lives for Canada, I have no qualms as to the spirit of our people.

What of the Air Force and those first thousand who went, all gone now but a few, writing their names into the pages of history in shining glory? Yes, and our soldiers too, ready when the call comes. It's not the spirit of the people that is to blame for such articles. It's the fact that for material gain those who should proclaim our worth fail to do so.

So, Mr. Editor, begin. You whose paper is so truly representative of our land begin, not by bragging or boasting, but by printing facts that all the world should know about this Canada of ours.

It makes me ill to attend our movies, knowing that such an opportunity is being wasted and lost and that we, the audience, never even get a peak at the land we love so well, nor the wonderful work our forces are doing. Too long we have looked on at Hollywood exploits of the U.S.A. to be inspired to any great depths of pocket or heights of loyalty for Canada as we should be.

Canadians have a complex. Alongside of the States we know nothing nor have anything (according to our leaders and newspapers). Why should we have to accept the babblings of so many Americans is what

I would like to know. Could they as a country of 10,000,000 people produce and do what we have? We have a dignity that those people could never have. Fundamentally we are a logical and intelligent people. Why must we be forever represented as a lot of nitwits? Our schools from coast to coast are of a higher standard than theirs, we produce per capita a higher rate of intellect and yet we never have a thing that we don't call Yankees in to tell us how to do it.

I pray that one day we may wake up and find ourselves and then we shall be a shining light to others, as we should be now.

Victoria, B.C. (MRS.) ELIZ. AUGER

Whose Morale?

Editor SATURDAY NIGHT:

PROPOS of Miss May Richstone's clever little poem "In Self-Defence": I find that if I spend twenty-five cents for a lipstick, I just haven't got it for a war-savings stamp! And if I give myself a five-dollar permanent, I have only a scant five cents left to give to Madame Chiang Kai-shek's war orphans!

Now, of course my morale may need more bolstering than China's; but it seems rather unreasonable to conclude that it does, after a glance backwards over recent history, and at some of those photographs of bombed Chungking.

Doesn't the average woman in Canada spend about fifty dollars a year for beauty aids? That is just the sum needed to maintain a hospital cot in the very meagre medical services for the women of India. Should we not weigh carefully these two needs in the balance, and find which one would add most to the real beauty of womankind?

It may indeed be true that Canadian soldiers will not fight with any enthusiasm for such "feminine frumps" as this sort of spending probably produces; but I have an idea that the plain-living millions of Russia, China, India, and Britain will learn to honor the rich American democracies even more highly if—for the present, at least—all our quarters and dollars are sent streaming into the world's struggle for the rights of the Atlantic Charter.

And that thought, it seems to me, should constantly renew our morale here, so that our spirits will "mount up on wings like eagles, run and not be weary, walk and not faint."

Please do not think that I am writing to start a scrap! I am simply desirous of placing before your readers, especially the young woman, another side of this "frump" and "morale" question.

Toronto, Ont. GLADYS BENNETT.

Burning Coal in Situ

Editor SATURDAY NIGHT:

MR. DYSON CARTER'S articles on "Scientific" developments are always interesting reading if not always entirely the sort of thing which we expect from scientists.

His latest, describing the interesting and important Russian experiments in the production of gases of industrial value by burning coal "in situ" is, however, a little bizarre.

It is, of course, incorrect to say that the first person "to take Ramsay's idea seriously was the Communist politician Nikolai Lenin." Lenin appears to have grasped the value of the Ramsay plan, but, to my recollection, so did many others—not all Communists. Unfortunately, investigation always indicated that, unless our whole economic and social system were to be remodelled to fit in with this single technical improvement, it could not be used profitably—except in special cases. In so many words, it would have required a total readjustment of population, a redesigning, and reconstruction of our factories, our residences,

our transportation systems to adapt them to use the new method of utilizing coal, on such a scale that the resulting economic and social disruption would have made the possibility of its adoption increasing the wealth of the world very remote—too remote even to be assessed intelligently.

The suggestion that the new technique could be used for war-time purposes may well be explored, but it seems highly improbable that any such development as providing a large supply of synthetic rubber "in a few months" can be carried out in Russia or elsewhere. With slave labor it would be easier to carry out, but a mere fraction of the effort required would have enabled us to strengthen our Far Eastern forces to the point where we could have saved our established source of natural rubber.

In general, Professor Carter seems to have fallen into the illusion that in Russia only is there any scientific progress. He suggests that science in "capitalist countries" is without support, and goes so far as to speak of scientists in such countries as being "put into laboratories that are actually industrial concentration camps." The fact is of course that scientific research has more support in North America than in Russia, while no Russian state department could be more active in seeking opportunities to use scientific discoveries than are the capitalist institutions in North America.

Since it is certain that I shall be identified, I admit frankly that I am

Montreal, Que. (COL.) A. BLUME.
(late Royal Horse Marines.)

B.C. Monsters

Editor SATURDAY NIGHT:

ISN'T Mr. Davidson a bit mixed in his B.C. monsters too? As a resident of the West Kootenay District of B.C. I have always understood that Ogo Pogo inhabited the Okanagan Lakes, not the Arrowhead Lakes.

I think too that the Arrowhead Lakes can hardly be called remote: in the south the Lower Arrowhead Lake connects with the C.P.R. from the main line via the Crow's Nest Pass and Nelson to Vancouver; at Arrowhead at the north end of the Upper Lake the C.P.R. connects with Revelstoke; Nakusp on the east side of the Upper Lake is both connected by C.P.R. and road to Kaslo and Kootenay Lake, which in turn connects with Nelson by road and C.P.R. steamer; also the C.P.R. steamer connects Arrowhead with the C.P.R. at the south end of the lake.

Montreal, Quebec. J. L. SYDALL.

SATURDAY NIGHT

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THE FRONT PAGE

(Continued from Page One)

was designed for a community composed entirely of people who have homes in which they can do their drinking, and who are at liberty to drink in those homes whenever they feel like doing so, if they can pay for the beverage. It was not designed with any thought for great numbers of sailors who have no homes but their ship, and no place on that ship for the storage and consumption of beverages alcoholic or otherwise. It was not designed with any thought for men in other services who are

CALLING ALL CRITICS

TWO words, each common on our tongue,
When used in combination,
Bring sound advice to old and young
Throughout this widespread nation.

Their mandatory tone is strong.
They often seem to me
More useful than a pleasant song,
Uncourtly though they be.

Berlin and Tokio and Rome
Have loosed the chains of Hell,
But oh, the chattering at home
Are dangerous as well.

And so, lest gall and wormwood fill our cup
Regard these words: for Heaven's sake SHUT
UP!

J. E. MIDDLETON.

equally handicapped. It is civilian legislation, and Halifax is no longer a civilian city. It is landlubber legislation, and Halifax is no longer a landlubbers' town.

The cancellation of the Ajax Club beer license was not due to any desire to protect the morals of the visiting seamen from the ravages caused by the consumption of beer. It was quite frankly due to a desire to protect the amenities of a property adjacent to the Club. The property in question happens to be a church, which gave its protectors a technical handle for their efforts, since the law requires that licensed premises must be at a certain distance from churches, thus recognizing that the amenities of churches have a special right to protection. There is probably no hope of getting the Legislature of Nova Scotia to recognize that the amenities even of a highly respectable church ought not to stand in the way of reasonable provision for the comfort and convenience of men whose lives are being spent, except for a few days' interval in Halifax, in conditions of the gravest danger and discomfort. There is, however, a possibility that the Dominion Government might eventually come to realize that it ought to exercise its sovereign powers to provide, perhaps within the area of its own property, the sort of accommodation for visiting seamen and service men which they need and to which they are in all humanity entitled. And Halifax is not the only place which needs attention in this respect.

A Sound Idea

THE member for Danforth, Mr. J. H. Harris, raised in Parliament the other day a question which has caused much searching of heart among Canadians for a long time. That is the unnecessary transportation of British products (rationed in Britain, but encouraged for exportation in order to bring foreign exchange to that country) across the Atlantic to Canada, from which they are re-shipped back to Britain as gifts for the Canadian troops or for British friends of Canadian donors. Shipping space is of such supreme value today that not a cubic foot of it should be wasted, but as Mr. Harris pointed out, Canadians are constantly putting into their British-bound parcels "English biscuits, English marmalades, English pipes and tobaccos . . . razors and razor blades, English plum puddings, and tea packed in England."

Mr. Harris went further; he proposed a very simple and effective solution for this problem. It is simply to set up in England, "perhaps through the High Commissioner's office," a depot which would be regarded by the British authorities as external to Great Britain, so that goods could be "exported" to it and would then cease to be under the rationing controls of the British government. Such goods would be paid for like any other export, by the hand-



COMPANY ON THE NEW ROAD

ing over of Canadian or United States currency, and once paid for they could be reshipped into "British" territory just as they are now, the only difference being that now they occupy cargo space both ways and then they would simply be carted across the High Commissioner's threshold first inwards and then outwards. The necessary controls would be no greater than for any other bonded warehouse, and we fancy that Canadians who now hesitate to load up their parcels with British goods would gladly avail themselves of this service.

Women in the R.C.A.F.

THE appointment of a professional woman dietitian as Chief Messing Officer Dietitian of the R.C.A.F., and the appointment of a number of other women as Messing Officers at various establishments of the Force, may be an innovation as history-making as the appointment of Florence Nightingale as superintendent of the military hospitals in the Crimea nearly a century ago—though it is to be hoped that Miss Jeffs will not have as much trouble with the "brass hats" as Miss Nightingale had with what corresponded to those gentlemen in 1854. This appears to be the first time in the English-speaking world that women have been admitted to such responsible posts in connection with a military organization; and the reason is very similar to the reason which led to their advent into the military hospitals. In plain language there are no men available who can do the job as well. There are men chefs in plenty, but they are concerned with cookery as an art. There are very few men dietitians. Dietitians are concerned with cookery—and not cookery alone, but the whole business of procuring food and delivering it to eaters in large quantities—as a practical science, directed mainly to the sustaining of health.

It is from the ranks of the "commercial" dietitians that the new Messing Officers are to be drawn, and there is no other class from which they could be drawn. They are persons who have been systematically and scientifically trained to provide in large quantities food which will have a maximum nutritional content. It is no discredit to the existing Messing Officers of the various defence forces to say that they have not been so trained, for nobody has hitherto expected them to be. The science of dietetics is a new science which has made immense strides in many civilian organizations which have the task of feeding large numbers of people, such as hospitals, schools and industrial establishments. The army, with that respect for tradition which is one of its outstanding characteristics, has not hitherto paid much attention to it.

Moreover the introduction of women into the economic life of the Air Force is easier than it would be in other branches of the service, because of the fact that the mess is not usually in the actual field of battle, though it is of course liable to be raided by the opposing Air Force. The army has to take its feeding organizations with it into battle; the Air Force goes to battle

between meals. Even so, there is room to hope that the principles of scientific dietetics, which are now being put to work for the benefit of the Air Force, may some day be made available at least for the training establishments and the more or less permanent quarters of the land army, even if this means the employment of Messing Officers who would not be able to accompany the troops into the field. It is of course conceivable that under the supervision of these scientifically trained women officers the army might in time even develop a few men with some understanding of the principles of dietetics who could carry on in the field. There is this difference between dietetics and nursing, that so far as we know there is nothing in the essential nature of dietetics which makes it a more suitable occupation for women than for men; the reason for the present appointments is simply that there are trained women available and no trained men.

McNaughton For What?

IF IT WILL soothe the *Globe and Mail's* feelings in any way, we are quite prepared to admit that the Committee for Total War includes—or, if extinct, included—a large number of people who are perfectly innocent of any political objective whatever. We have been in the habit of speaking of the Committee when what we had in mind was, strictly speaking, the guiding intelligences behind the Committee—the master minds who invented the Committee and caused it to function. There was a reason for this terminology, and we shall be sorry to have to abandon it; for the sad truth is that we do not know who all of the master minds are, and if we cannot talk about the Committee for Total War we know that we shall find ourselves getting into the habit of talking much too often about Mr. George McCullagh—a habit which he, we are sure, would be the first to deplore.

Meanwhile there is an urgent need for some master-minding in the current McNaughton campaign or campaigns. Since we last wrote on this subject Messrs. Philpott and La Roque have gone on applying matches to the rather damp heather in many cities of Canada, reaching Toronto early this week. But in the meantime Dr. Bruce, from his place in the House of Commons, has started a new campaign advocating General McNaughton, not for Prime Minister, but for Deputy Prime Minister and Minister of War under Mr. King. Messrs. Philpott and La Roque, of course, still want to throw Mr. King out and put General McNaughton in his place. (Nobody at the moment seems to want to put Mr. Meighen anywhere.) This sort of confusion is sure to distract the public mind, and we hope that before we next go to press Dr. Bruce and the Philpott-La Roque promoters will have got together and formulated a joint objective. The whole thing makes us think that it would have been much better if it had been managed by the Committee for Total War—pardon us, we mean Mr. George McCullagh.

THE PASSING SHOW

BY J. E. M.

SAYS the Brighton *Ensign*: "A few subscribers who were habitually in arrears have taken hold of their boot-straps and become honest-to-goodness, paid-in-advance customers. The satisfaction derived by them from facing the issue and being able to look us in the face almost equals our satisfaction." Flattery! That's what it is!

"For Sale: thirty good tin sap-buckets, sixty spiles, and an organ in good condition." Maple syrup and sweet sounds no longer wanted! Sourpuss!

"Do you accept contributions?" asks a subscriber. That depends on the nature of them. Now, a contribution of maple syrup—but need we continue?

ANALOGY FROM PICKWICK

When Mr. Snodgrass doffed his coat
Announcing he would now begin,
The cabby didn't care a groat
But stepped right in
And popped him in the appetite
And kicked him on the shin.

(Look up your *Pickwick* if you choose;
You'll find we're scarcely accurate.
Poetic license is a ruse
We freely state
To make the rhyme and reason fit
And keep them up-to-date.)

But Mr. Snodgrass, we observe,
(Returning gaily to the theme)
Was going to fight. He had the nerve,
He had the steam;
But ah, the cabby came between
The Poet and his dream.

Let's think of Snodgrass as a type
Of Us and Uncle Samuel,
Brave brothers of the self-same stripe
Who promise well,
But find performance hindered by
Our foemen, dark and fell.

From an Eastern Ontario sermon: "God is not a visionary anchor, but one to which we may flee for refuge and consolation." Fleeing to an anchor is a new idea.

The ecstatic reporter at work in the Campbellford *Herald*: "There is nothing which completely subdues the hearts of an audience than the spirit of eager, whole-hearted zest with which little children become inspired when re-enacting—seemingly re-living in all its reality (so apparent in their enthusiasm) those beloved fantasies of Fairyland so vividly realistic to the keen imagination of their tender years, and similarly endeared to the memories of the adult audience."

ZOOLOGICAL LYRICS

The Raven

If, when visiting the zoo,
You miss some little thing or two
It's the raven
Misbehaven.

The Clam

Few creatures are, by all repute,
Absolutely mum or mute;
But the clam
Am.

The Squid

No boa constrictor asked for limbs
To satisfy its lethal whims;
But the squid
Did.

STUART HEMSLEY.

Our sententious barber remarks: "They all think they're patriotic; listen to the guy in the next chair explaining his new scheme for beating the gasoline ration!"

A vivid Silence poster hung in a railway station. It showed a torpedoed ship and bore the legend "Your careless talk caused this." Two young soldiers regarded it with solemnity. "That reminds me," said one. "We haven't seen George for three days. His ship must have sailed."



The Kin Kanteen for members of the armed forces in Winnipeg. Built by the Kinsmen Club and operated by the Kinettes (Kinsmen's wives), this canteen had over 6,000 men sign its register the first year it operated. The club is open each day from 2 p.m. until 11.30 p.m.



Belleville club started the Kid Kar Derby in Canada. This later became the official Soap Box Derby from which contestants were sent to the international races at Akron, Ohio. A Canadian boy came second in the 1941 international race, and achieved fame in a short time.



"Milk for Britain" is the biggest national project of the clubs, and has resulted in a million and a half quarts of milk being shipped to Britain for children who were suffering from a lack of it. Above is shown Winnipeg's big "Milk for Britain" parade, moving up Portage Avenue.

2,500 Young Men in a Hurry

BY HIRAM McCANN

YOU'VE heard of the "social whirl?" Yeh! Well, it's like that, only it's a whirl of work. Don't be surprised if that terse old expression, "Can do," denoting willingness and self-confidence, evolves into "Kin do." If it does, blame it on the Kinsmen! In fact, after watching these twenty-five hundred guys doing this and that for a while, you stop being surprised at anything; you're inclined to just look on respectfully at their magnificent energy and efficiency—and wonder what their next eruption of effort will be like. You're inclined to look on, but you don't. You pitch in and help. And when that job's done you find that there's no time to stand back and admire it, because six more opportunities for worthy work have sprung up, and time's awastin'.

These twenty-five hundred Kinsmen, hardly any of whom ever slow down to a walk, are members of 89 Kinsmen Clubs in Canada located in cities and towns from Nanaimo to Sydney. There were 2,800 of them before the war; over 700 joined up; and 400 new members have come in during the past two years. Each club is autonomous in operation but is a member in the Association of Kinsmen Clubs of Canada, an all-Canadian organization which started in Canada just 21 years ago as a young men's service club. No man over forty can join the Kinsmen.

Founder of Kin (but never "grand old man") is Hal Rogers, now Chairman of its National War Services Committee which co-ordinated the war service work being done by all the clubs. Hal returned from overseas in 1920 and settled in Hamilton, where he was bored stiff—not through any fault of Hamilton's but through lack of fellowship, and because he could see a great deal of good work to be done by a young men's service organization and he itched for action. Hal's father, known as "Pop" Rogers, was a Rotarian and through his help Hal, Harold Phillips, Jack Dillon, Perc Dawson and Cliff Kendall started the first Kinsmen Club patterned after Rotary. The last three originals are still members of the Hamilton club.

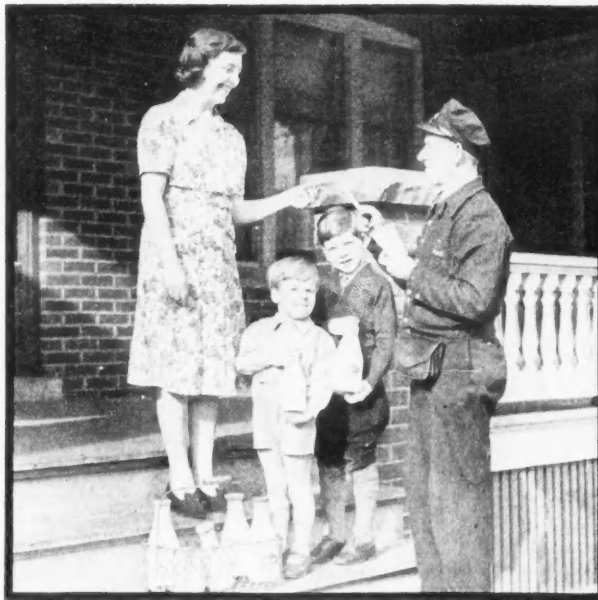
The foundation must have been sound, for every time a Kinsman moved from Hamilton to another city he invariably started another Kinsmen Club. In a few years every province except Saskatchewan had its group of clubs. That province had a very active body of four or five young men's service clubs called the

"Eclectic Clubs", similar in origin and almost identical in purpose with Kin; so, to complete the national picture, the Eclectic Clubs became part of Kin around 1927. They have been a tower of strength to the national body and they still are some of the strongest clubs in Canada.

Up to the beginning of this war each club had its own service work and its own charities to support. These works continue, but on top of them Kin, as a national organization, has done a few major pieces of war work which help to use up its excess energy and which establish it as a factor in the national picture. "Milk for Britain" is, of course, the biggest national project of the Kinsmen. When Lord Woolton, Minister of Food in London, appealed over the radio on New Year's Day, 1941, to Canadian and American folks to make available more powdered milk for British children, the Kinsmen leaped into action. No other organization was doing this job; Kin had the machinery and the energy to do it; so, after a few 'phone calls between the National Committee in Toronto and officials in Ottawa, the project was registered under the War Charities Act and Hal Rogers cabled Lord Woolton promising to deliver 1,500,000 quarts of milk to Britain by July 1st, 1942. Already shipments are 250,000 quarts ahead of schedule!

Servicing the "Milk for Britain" endeavor is a Kin-worthy job. First of all, there are 18,000 milk bottles (provided on loan by local dairies in each city) to be emptied of collections every two weeks at least. Then there are display cards and promotion folders to be distributed to support these "silent salesmen." These are purchased at cost by the National Committee and billed out to local clubs. Next, each club must raise money to beat its quota by plenty every month (just meeting same would be considered abject failure). The action is immense.

Toronto clubs banded together to operate a little Bingo evening in the Maple Leaf Gardens. Ten thousand people played, 150 Kinsmen handled the crowd, and \$5,000 was collected for milk for British kids. The morning after this event the Toronto boys were ready with plans for their next drive. Never a dull moment! In Hamilton the Kinsmen promoted subscriptions to "Milk for Britain" through the dairy salesmen working door-to-door. In Moncton and Sydney



Mrs. Margaret Oliver of Hamilton, formerly of Coventry, England, eagerly supports the Kinsmen's "Milk for Britain" fund by buying subscriptions from her milkman. British children used to get 1/3 pint a day.



Hal Rogers, Chairman, National War Services Committee of the Association of Kinsmen Clubs, talks it over with W. H. Dundas, President of the Toronto Downtown Club. Rogers, now 42, founded the first club in 1920.

rry - Kinsmen Clubs of Canada

PHOTOS FROM T. A. MILLAR

they got out and sold Victory Bonds and turned their commissions over to the fund. Edmonton staged a mammoth raffle. Calgary put on an Ice Carnival. At Duncan, B.C., where they couldn't have evening doings because of the blackout, they held a River Barrel Sweepstakes. Hespeler club held a merchandise draw. Biggar, Sask., club operates the city salvage campaign. Newfoundland club raised a big sum also for "Milk For Britain."

All this effort turns into shipments of milk to Britain. In every club they're doing something—doing it in a big way and doing it efficiently. Proof of that is that total expenses for collection and operation of the fund are less than 2 per cent while some war charities run up to 10 per cent and over. And even that 2 per cent is not paid out of donated "Milk for Britain" funds, but is charged up to the National Committee.

Another national Kin effort is assistance to the Magazine Exchange Service for the men in the Merchant Marine. Kinsmen have assisted in collecting over 2,000,000 magazines, 20,000 decks of cards, innumerable cross-word and jig-saw puzzles, cribbage boards and other items for the crews of convoy vessels and other naval branches. To date 252,000 pounds of this stuff has been shipped free by the railroads from all over Canada and is distributed by a hard-working committee of Halifax ladies, including, Kinettes (Kinsmen's wives).

Just to celebrate the 20th birthday of the Kin idea, the boys initiated the sale of \$250,000 worth of War Savings Certificates and followed the sales through to completion. Then they had built and presented to the Canadian Army the first mobile dental clinic any British unit has ever had. It was so useful the Army ordered duplicates of it. Hostess houses have been built by the National Kinsmen organization at Camp Shilo near Brandon and at Debert, N.S., for the wives and families of soldiers at the camps.

On top of these national Kin-doings (and the list goes on and on) there are the local services and charities of each club. These are completely financed and operated locally and usually involve much effort on the part of the Kinettes. Winnipeg has its Kin Kanteen where members of

the armed forces may eat, rest, read, play ping pong or billiards, dance or write letters. Sixty Kinettes handle the housekeeping and hostess duties. Ottawa club has its Occupational Therapy Clinic at the Royal Ottawa Sanitarium where woodworking, leather working, typing, carving, basket making and sewing are taught to rehabilitate sufferers from nervous diseases.

Belleville has its Fag Fund which has shipped over 200,000 cigarettes to Belleville boys overseas, and its Eye Clinic which provides free treatment and glasses for underprivileged children. To finance the Eye Clinic, C. B. Colling of the Belleville club started the Kid Kar Derby which later became the official Soap Box Derby of Canada. The Canadian winner of 1941, a twelve-year-old named Doug Bone, came in second in the International Soap Box Derby at Akron, Ohio, and Kinsman Colling had fame thrust upon him. Now, Nanaimo, B.C., and Montreal clubs also have Kid Kar Derbies whereat much is the fun had, great is the work done and notable are the funds raised.

Brandon club built a skating rink for the soldiers and airmen stationed there. Kinettes at Noranda adopted a corvette of the same name and keep the crew supplied with seagoing comforts. Calgary club sold \$4,000 worth of T.B. Seals. Why go on?—it just makes you dizzy, and we think we've proved our point.

National Executive of Kin is kept national. National President is Howard De Cew of Vancouver; National Vice-President is Jerry Knechtel of Hanover, Ont.; General Secretary is S. H. Bantick of Toronto; Chairman of the Editorial Board of "Kin", their national organ, is Jom Miller of Winnipeg; and Editor of it is Gord. Farr of Toronto. Membership comprises at least three members of the Federal Parliament and scores of provincial legislators.

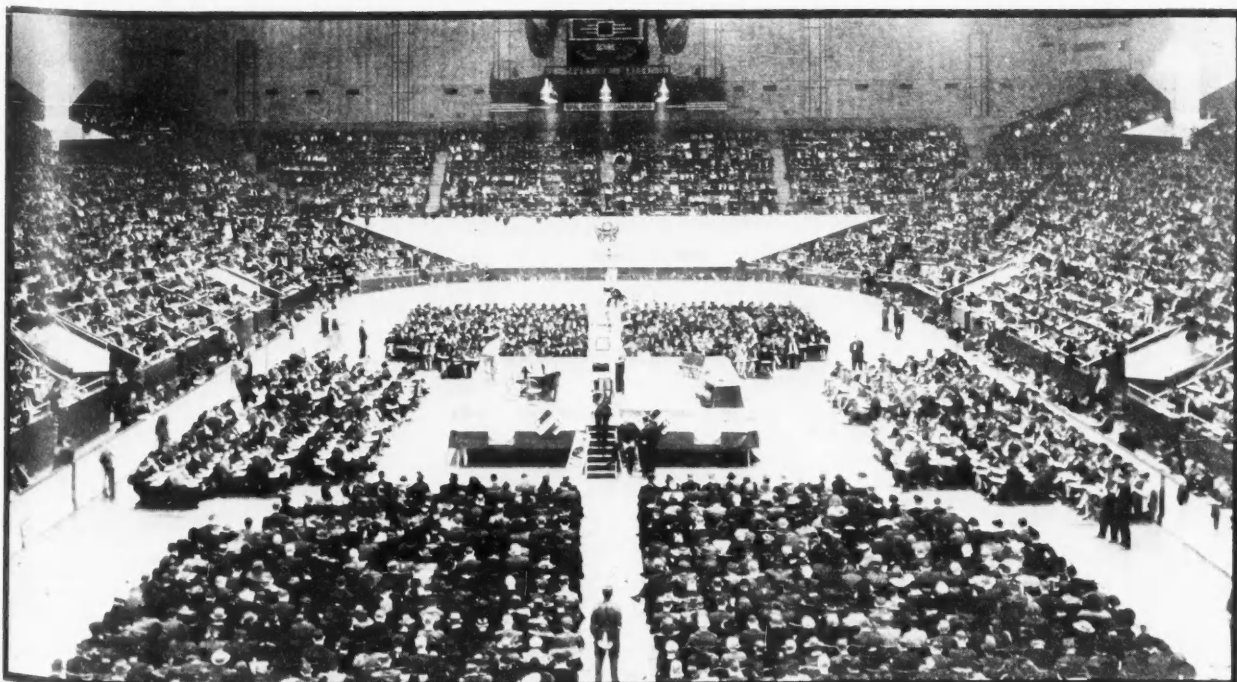
When you consider that the average age of all Kinsmen is 31 and when you learn that the youngest colonel overseas is a Kinsman, Mike Goulding of Simcoe, and when you read about such and such a fellow being the youngest national this and that and also a Kinsman, you begin to realize the importance of these 2,500 guys in our national life, now and after the war. But you still get slightly dizzy watching them work! At least we do.



Co-operation with and assistance to the Central Magazine Exchange for the men in the Merchant Marine is another national effort of the Association of Kinsmen Clubs. They have already provided over a quarter of a million pounds of magazines as well as other comforts.



Saskatoon club sponsors a Pee Wee Hockey League, buying uniforms, supplying trophies, providing management to develop pre-hockey youngsters into championship material. This work pays a bonus over a period of years in healthy youngsters and clean sportsmanship.



One of the largest bingo games ever staged was put on by the Toronto Kinsmen Clubs at the Maple Leaf Gardens last month to raise money for "Milk for Britain". 10 thousand people played, 5 thousand dollars raised.

It took 150 Kinsmen and their friends to handle the crowd. Every club in Canada raises funds for this national project, each in its own way. Top contributor is Winnipeg, next are Regina and Newfoundland clubs.



Ottawa club organized and finances an occupational therapy clinic at the Royal Ottawa Sanitarium. Here competent instructors under direction of medical experts teach woodworking, leather working, basket weaving, sewing, drawing and other useful handicrafts.

Hitler Can Only Retreat in Russia This Spring

Look out for surprise moves by both Hitler and the Japs this spring, says Mr. Peterson.

Hitler will retreat in Russia before or during the Great Thaw. A great retreat in Russia will give Stalin only three months of maximum striking power this year and enable Hitler to concentrate his own maximum striking power for the Middle East drive to secure oil.

There is also only one "surprise" move open to Japan—an attack on Hawaii. Only the capture of Hawaii can give Japan command of the north and central Pacific, which she must have not only to retain the treasure house she has captured but for the safeguarding of Japan herself.



QUESTION:

What are the usual danger signs of early tuberculosis?



ANSWER:

There aren't any!

MANY PEOPLE BELIEVE that tuberculosis always gives definite warnings when it begins—signs or symptoms by which it may be recognized. Medical science knows this is not true.

Early tuberculosis usually has no symptoms, gives no danger signals. Such symptoms as a cough that "hangs on," persistent chest pains, and blood or blood-streaked sputum are incorrectly associated with the early stages of the disease. They are really indications that tuberculosis has been present a long time, or has progressed rapidly.

The surest way to detect early tuberculosis is by X-ray or fluoroscopic examination of the chests of apparently healthy people. If the disease is present, the doctor, knowing the patient's history and physical condition, sees the telltale evidence. Early diagnosis is vital. Tuberculosis can nearly always be treated successfully in its earliest stages. In its advanced stages, it is very difficult to cure.

Medical science has made remarkable progress in controlling tuberculosis. The disease has declined from first to seventh place as a cause of death, and continues to decline. Medical leaders hope that it can be virtually eliminated by 1960.

If this goal is to be realized, the search for cases of early tuberculosis must be intensified. There are thousands and thousands of undiscovered cases in this country. Unrecognized "carriers" of the disease scatter

tuberculosis germs wherever they go—among their families, their friends, their fellow workers. Tuberculosis always comes from tuberculosis... it passes from the sick to the healthy.

That's why you must be on the watch constantly. Be especially watchful of boys and girls in their late teens, and young adults. Be doubly watchful of people in families with known cases—of anyone who has been in contact with an active case of tuberculosis. The best protection is an annual health examination, including X-ray examination of the chest. Many city health departments have X-ray facilities for those who cannot afford private care.

Metropolitan's free booklet, "Tuberculosis," contains up-to-date information about protecting your family and community from this disease.

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IT IS life or death for the United Nations this year—not in 1943, 1944 or 1945. Let us no longer believe that Time is on the side of the unorganized. Time is governed by speed, not by "production figures."

There is only one "surprise" attack open to Hitler—the invasion of Britain. As he did not dare attempt that last year for fear of Stalin's leap on his back to finish off the German menace for a century, it would be even more suicidal to make it this year when the Bear has struck its claws down to the very bone of the German army.

Further, by late summer the German war machine will really be short of oil, so prodigal has its expenditure been in the fighting in Russia. Therefore, it must be oil or recoil for Hitler in 1942. So a mighty surprise on the Russian front is not impossible.

What are the choices before him in Russia? The German line could stay as close as possible to Leningrad, Moscow and the Caucasus at the beginning of the Great Thaw in April, or Hitler could retreat to a line from near Riga to Kiev, from Kiev along the Dnieper to the Sea of Azov. Staying would be a policy for attack when the ground dried; retreating would be for defence. Staying would free the German army from the attack of 10,000,000 Russians for only some five weeks; retreating could free it for three months from Stalin's maximum power. In these three months Hitler could take the path of least resistance.

Not into Sweden, which has no oil and whose capture would be expensive and profitless. Driving through Rostov to get to the Caucasian oilfields would entail maximum fighting against the Russian army all the way from the Arctic to the Black Sea. But there is a different route there, which, further, is on the way to two other vast oilfields, the Iraq and Persian. Two birds could be killed with one stone, for if the attack, first through Syria, then Turkey, went well, units could turn north into the Caucasus in conjunction with a Black Sea attack anchored in the Crimea.

A "Cheap" Offensive

At the same time, a second and "cheap" offensive might bring great results—against Malta and Egypt. A third could be made against Gibraltar, Dakar and the three groups of central Atlantic islands, the Azores, Canary and Cape Verde.

Defending against his two strongest opponents, Russia and Britain, and attacking the weakest part of the United Nations front facing him the junction of Europe, Asia and Africa—must be the soundest strategy for Hitler. Success here would more than give his war machine oil, it would encourage the Japanese to make an all-out attack on India, which, if non-resisting, would further be thrown into a ferment by his own approach from the west. Let us expect "surprises," there, however the Hindu and Moslem leaders compose with Britain.

For Tojo too it is also all or nothing this year, and there is only one "surprise" attack open to him. Not against India, Australia or Siberia; rather against Hawaii, where 50% of the population are Japanese, planted there for two generations for just this attack. And, as yet, Washington has found no way to cut the Tokyo-planned stranglehold on the economic life of the islands; it has seen no way to deport the upper half of this waiting Trojan army to the mainland. Must a peace economy operate in war? Can we not voluntarily face short rations, discomfort and even the disruption of the fatty structure of our way of life? Pack these waiting Fifth Columnists into the empty boats returning from Australia and India! Make room, if need be—getting them out of the way is more important than getting in extra raw materials. Pearl Harbor can happen again, if we believe it can't!

Axis or no Axis, this Hawaiian venture must be next on Tojo's time-

BY HENRY PETERSON

table—in order to secure command of the whole of the north and central Pacific, which alone can safeguard not only Japan itself but the sea assault on India which must be made if the land attack from Burma is to succeed. Such command is also necessary for the total severance of the lifelines to the Middle East and Egypt through the Indian Ocean from the United States and Britain.

Feint at Australia

Tojo must capture Hawaii swiftly, say, inside of a fortnight—to fit into Axis grand strategy. Madness? Let us not forget that the Japanese admirals were conceived enough before Pearl Harbor (Yamamoto dictating peace in the White House, and so forth), but they have now—luckily—acquired a complete contempt for the American navy. What a chance they are going to offer Admiral King! Their present moves against Australia and in the Indian ocean are only feints to draw American naval forces away from Hawaii.

To fit into the Axis grand Eurasian strategy, Hawaii must be taken by the end of April, since the Japanese navy would require five or six weeks after such a coup to swing into action against India. By the middle of May Hitler will, of course, have moved towards India. Still, to produce the maximum turmoil in India, she must be menaced from both sides simultaneously.

Even if Gibraltar were only neutralized, seizure of Dakar and the Azores, the Canary and Cape Verde islands, would see the German and Italian submarine fleets employed to their greatest effect, attacking the Atlantic lifelines of Britain. And if the sinking of incoming ships could reach an adequate percentage it would mean more than just the cutting down of raw materials and American reinforcements; it would mean actual starvation and Britain's surrender.

So much for Axis hopes. What are the counter-moves open to the United Nations?

They pivot on what happens in Russia. So let us look closer into the possibility of a great German retreat there. It would not be from choice. The huge garrisons and stores from Novgorod to Taganrog and in the Crimea were intended to be key springboards of the 1942 German offensive. As they have been so stubbornly held, does that not indicate there will be no grand retreat? Not necessarily, since new defences in the rear would take time to build, and, secondly, there has been no chance to withdraw those vast stores safely in the Russian winter with the more mobile enemy attacking ever since December 6 along the whole front. In any case, by holding on to those strong points as long as possible, Hitler could give himself the two choices—to attack from where he stood in June or to retire before or during the Great Thaw in April.

It seems to me he has no choice—he must retreat. Let us look into a few figures. They do not pretend to be right, yet they cannot be far out. By May 1942 Hitler will have at his command some 280 German and 120 "reliable" Associated divisions, say, 400 in all. Stalin will have not less than 450, with another 250 in training; and the Anglo-American army in Britain, the Middle East and Egypt around 180. Four hundred against 630, and every month will see the United Nations strength growing and the Axis-Associated strength waning.

It is quite certain that the German army has not the power to defend against an Anglo-American invasion and attack in Russia, the Middle East and Egypt all at the same time. But Hitler must attack, and because of weather his first offensive must be against the Middle East and Egypt. If that went well, he would have two choices—to defend in Russia and push on to India, or to halt in Persia and attack Russia. If he is to defend in Russia, defences carefully prepared in the rear would be more secure than a ragged line under pressure; if he is to attack,

only a retreat could shake off the Russian grip on his present springboards and enable him to start an offensive under the best conditions—from prepared positions in the rear, which would then be against advancing armies more or less in the air relying on thin and lengthened communications. Attack or defend, retreat would deprive Stalin of many weeks of full striking power while he prepared an all-out offensive.

In a word, a German retreat this spring in Russia would give the Russian army only two or three months of maximum striking power in 1942.

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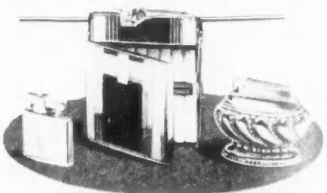
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from the end of July until the mud came in October; would ensure maximum striking power for the German army against the weakest part of the United Nations front, the Middle East and Mediterranean; and would give it maximum defence against any Anglo-American invasion of the Continent.

Of the 400 German-Associated divisions, some 120 German and 70 Associated must be relied on to withstand any Russian offensive during and after the great retreat, with some 40 German divisions held as a general reserve, while 50 watched Western Europe and some 70 German and 50 Associated divisions made the Middle East and Mediterranean drives. As Hitler must make this drive, I cannot see him attacking 450 Russian divisions whose holes can instantly be plugged, with 160, or even 200, German divisions supported by 70, or even 100, Associated divisions. He must retreat in Russia this spring.

What then should be the counter of the United Nations? Attack the weakest part of this front sweeping in a circle all the way from the Arctic through the Black Sea, Mediterranean and English Channel back to the Arctic in northern Norway.

The weakest part in both East and West is the shortest road to Berlin. Stalin is going to take this road from the East with 10,000,000 trained men!

The British Task

As to the British task, the whole coast from northern Norway to the Pyrenees is, of course, heavily fortified. But the problem for the British Command is not to assault every yard of this bristling coast, only to crack the crust at selected points and envelop the parts between. Invasion necessitates the capture of at least four good ports which would, first, allow sure maintenance of the spearheads of commandos and paratroops and then their steady reinforcement of armored, artillery and motorized units.

Ships and their protection from air attack being the kernel of the problem, it would be both prodigious and difficult to invade distant Norway, which, moreover, points away from Germany. Straight across the Channel alone makes sense, for mastery of the air is possible only over the Channel. Landings could be made on either side of Boulogne and Calais, and on either side of Le Havre. The spearheads meeting behind each should see them captured from the land side. Feints near Dunkirk and Ostend might even turn into bridgeheads with luck.

But of even more importance would be the seizure of the Cherbourg peninsula, both to capture Cherbourg and to be able to cut down to St. Nazaire, even to Bordeaux, so that Brest too could be taken, and their submarine nests together with their ship-busting aerodromes eliminated.

The new British minefield in the Bay of Biscay was laid down not only to hamper German invasion of the three groups of Atlantic islands but also to minimize submarine attacks on the west flank of British invasion forces. More, seize the west coast of France from Cherbourg to Bordeaux suddenly, and many dozen U-boats returning for refuelling from Atlantic raids would have to seek Spanish, Portuguese and Eire ports.

This seizure would be more than opening up a second European front—it would be offensive action of the first magnitude. It would half-cripple Hitler's attack on Britain's lifelines. But what if Cherbourg, Brest and St. Nazaire turned out to be Dunkirks? Why should they, with Hitler rushing off east to find oil and with the Russian army twice as strong this summer as last? Figures on paper have their place in military calculations, but far more important is the ability to seize the MOMENT for victory. That, of course, entails almost a clairvoyant faculty to weigh up the imponderables accurately. Well, if the United Nations Supreme Command in the West is without that gift, then defeat piecemeal must be faced, that's all—a Munich on the battlefield must take place.

The critical moment is here. Leadership in war is not counting up gold coins in a bank vault. As mighty Seneca says: "At the critical moment, the leader of an army acts like one

who has climbed up a height and then kicks away the ladder behind him." What other way is there to fight in war—surely not in the Chamberlain way—in this business that demands faith and a touch of magic from the winner?

But horrid thought! Will London and Washington this summer again base their combined strategy as they did last summer on a major false premise—that the Russian army will collapse in three weeks or at best be incapable of major offensive action because Hitler has been building his mightiest army of all in the winter and the Japanese will attack Siberia? No matter how certain we feel that if our enemies will kindly give us the time and leisure we will so overproduce them that dead weight will

just squash them in 1943 or 1944 or 1945, still, wherein lies the virtue of gaining victory even one day later than we need and in the bargain run the risk of piecemeal defeat? If our production is to be so overwhelming next year, surely we can risk what we have got this year? The enemy too will be using up his resources.

If the Anglo-American army only defends this year believing it will make its proper offensive contribution next year, Hitler and Tojo may join hands in India this year. Germany would then have raw materials and Japan machines. *More devastating still, the heart would be taken out of the rest of the United Nations, and who then will predict what might happen to the British Empire and the United States?*

But if the Anglo-American army invades France with high faith and times the God-given gift of fighting with a still adequately-fed V-army behind the enemy's lines with Stalin's thrust straight at Berlin, who then could doubt that victory will be ours in Europe by Christmas this year, having, I still believe, thrown it away by Christmas last year?

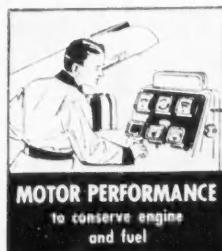
In the Pacific we can be sure of one thing—Chiang Kai-shek and Stalin will co-ordinate their moves against Japan. When? When the Chinese army, which has fought almost without either for five years, has more than its present infant air force and artillery corps; and as the Chinese attack goes forward along a 2,000-mile front from Burma to Mongolia, Russia's fiery assault on

Japan from Vladivostok will begin. Even fanatical patriotism will not long sustain Japan's window-dressed power when it is really hit.

And we can be sure of another thing. The American navy and air force will also be there, and by that time they would have grown to tremendous power, the air force operating from Siberia and China, and the navy with some 90 first-class Russian submarines. All this can happen by September. Who then could doubt that victory in the Pacific too will not far lag behind victory in Europe?

But oh! how urgently must we cast away our fatty calculations! How exultantly must we gird on the warrior's spirit to go out to strike down the foe or die! A grain of faith is worth a ton of metal this year.

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Washington, D.C.

LAPEL buttons bearing the word "MacArthur" and a likeness of the Pacific commander were put on sale last week by the New York *Daily News*. They were distributed on the basis of 2 cents, cash and carry, or 5 cents, prepaid by mail. In six days 90,000 buttons were sold mostly across a *Daily News* counter, and the demand far exceeded the supply. In Chicago, the *Tribune* was similarly swamped with customers.

In tens of thousands of living rooms across the country, old prints of Custer, Grant, Lee and Lincoln, and new rotogravure impressions of Franklin D. Roosevelt, have been removed from gilt picture frames to be replaced by the grimly handsome face of General MacArthur as reprinted in full color by every Sunday paper in the country. The General's popularity is now at an hysterical peak.

Does all this mean MacArthur is destined to be President some day? Barring unexpected developments, it does not. This is the majority opinion of Washington observers wise in the ways of politics and fully hardened to the whims and wonders of the American public.

The American people's capacity for enthusiasm is not distinguished for its staying qualities. American heroes come and go as quickly as history's assembly line can produce them. And this war is just beginning

BY L. S. B. SHAPIRO

to roll. MacArthur's popularity was born out of the shock and disappointment of Pearl Harbor, Singapore and Java. He sparkled like a jewel on the pinpoint of Bataan. Against the vastness of his new Pacific command his personality is bound to be diffused, and in the coming struggles on other, perhaps more dramatic, fronts new heroes will claim the centre stage of American conscious-

ness. MacArthur's personality will be further diffused because this is a world-wide struggle in the exact meaning of the term.

Even if the fortunes of war interlock with MacArthur's double-edged genius for military achievement and dramatic impact, the quirks of time play against him. It is unlikely his duties in the field will release him early enough in 1944 to promote his candidacy for the presidential campaign of that year. He is now 62 years of age, two years older than

President Roosevelt. In 1948 he will be in his 69th year.

It is more to the point to inquire whether this steely grandson of a Scottish immigrant has political ambitions. I asked this of a famous Washington personality who was an intimate of MacArthur during the latter's tenure of office as Chief of Staff. The reply was: Although MacArthur has never played with politics, he has the necessary capacity, vanity and ambition to aim for the presidency—but, being a soldier, he will never give up his four-star epaulettes until his work in the field is finished.

The chances, therefore, of General MacArthur becoming President MacArthur, are not as great as one would gather from the current hat-flinging in the main streets of America.

Phrase-Makers

A fighting army is the last place to look for the development of a noble writing tradition, but the American forces have done exceedingly well thus far in supplying future historians with deathless phrases. General MacArthur, for instance, is as good a writer as he is a fighter. The man who writes the history of MacArthur in the field cannot do better than to paste up the General's communiqués; they are vivid, stirring and informative.

The first famous communiqué came from the sergeant-pilot of an Army bomber shortly after America's entry into the war. It read: "Sighted sub; sank same." Some day this fellow will make a great desk man in a daily newspaper office.

Lt-General Jonathan M. Wainwright who succeeded MacArthur in the Philippines has made a neat contribution to America's war literature. In reporting the Japanese demand for surrender of the Bataan forces, Wainwright advised the War Department, "No reply was necessary and none was given."

The top literature of America's war thus far remains MacArthur's wireless to the President on his birthday: "Today, January 30, the anniversary of your birth, smoke-begrimed men covered with the marks of battle rise from the foxholes of Bataan and the batteries of Corregidor to pray reverently that God may bless immeasurably the President of the United States."

The American Irish

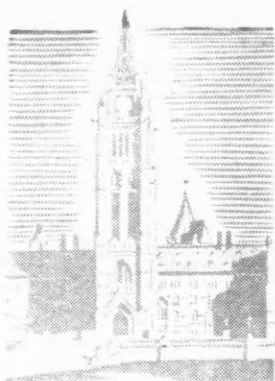
Considering Eire's official attitude toward the war, it is appropriate to write a little piece about the American Irish and their attitude on the Axis, which is largely "Brother, leave me at 'em!"

It so happens that the war's No. 1 heroes in the Army and Navy are respectively, the late Captain Colin P. Kelly and Lieutenant Edward H. O'Hare. I haven't looked up the family histories of these men, but if Kelly and O'Hare aren't Irish, then March 17th isn't St. Patrick's Day and McNamara's band is an American aggregation of zither artists.

The zeal of the American Irish for getting at the enemy is not confined to the battlefield. Here in Washington a parade of Nazi agents has been proceeding from the District Court to the nearest federal pen. And the prosecutors who sent them there are a couple of young attorneys who glory in the names of Maloney and Hickey—William Power Maloney and Edward J. Hickey.

One of the most violent of the nation's anti-Axis figures may be seen on the bench of the nation's Supreme Court. If you look along the row of justices and stop at the map of County Mayo, it will be the face of Justice Frank Murphy.

My favorite Irishman is Johnny Broderick, the New York detective who thinks a revolver is "sissy stuff" when going after Manhattan's deadliest gangsters. About ten years ago, when New York's district attorney was vainly trying to make a case against Jack "Legs" Diamond, the killer, Broderick didn't bother waiting for legal evidence. He met Diamond on Broadway one night and hit him so hard the gangster crashed through a plate-glass window. Diamond picked himself up and fled to Albany where he hid out until one of his own trigger-men killed him.



AS I SEE IT...

BY The Honourable J. T. Thorson

MINISTER OF NATIONAL WAR SERVICES

As I see it, no country can be more deeply concerned with the successful issue of this great conflict than Canada itself.

When the Dominion of Canada declared a state of war with the German Reich as the result of a free vote of a free Parliament, our country pledged its national honour that it would give its maximum aid in the struggle for the preservation of the rights of humanity.

We were the first nation in the New World to recognize that no nation anywhere in the world can stand alone. We cast aside all thought of isolation and entered this war as a united nation. We are proud to be associated with the gallant people of Britain and proud of our place as one of the United Nations.

Thus far Canada has been an essential and vital factor in holding the forces of liberty intact and preventing their collapse, but more is now required of us. With the courage of Russia, the tenacity of China and the entry of the great United States into the war, the British nations are no longer alone and victory can now be won, if all the United Nations stand united.

Canada will play her worthy part, for we have organized our human and material resources for a total war effort.

To achieve a total war effort we must carry forward our war objectives concurrently with a fixed determination.

What is the war programme of our people?

1. To carry on only such peacetime services and occupations as are essential to the life of the nation. We must see to it that there is no waste of manpower in non-essential activities or in the production of commodities not required for the prosecution of the war.

2. To produce ships, planes, tanks, guns and other essential munitions and materials of war, equipment and supplies to the fullest extent of our capacity. We have a two-fold duty in this field. Not only must we equip our own armed forces as strongly as possible, but we must produce in ever-increasing quantities for the United Nations. Our factories have sent munitions of war to every battle front in the world. This must go on and be increased. Over 600,000 persons are now engaged in the production of munitions of war. Fully 100,000 more will be required. We must mobilize our men and our women for this purpose.

3. To produce as much in the way of essential food supplies as can be transported overseas. Canada is the storehouse of the United Nations. Manpower must be allocated for the purpose of food production, so that Canada shall not fail in her commitments in that regard.

4. To raise and equip as strong armed forces as it is possible for us to do, army, navy and air, both as to quantity and quality of personnel and as to the effectiveness of their defensive and striking power both for the defence of Canada and to meet and defeat the enemy wherever he may be found. We have over 400,000 men enlisted for active service anywhere in the world—all are volunteers. When present plans are completed, we shall have over 600,000 enlistments. The Canadian Overseas Army, consisting of two army corps, will then be the strongest hitting unit in the British nations. Our Navy and our merchant seamen valiantly keep the bridge open between the new world and the old. More sailors and more ships must be supplied. Our airmen by the thousands now fight the daily and nightly battle of the skies on many fronts. One-third to one-half of the airmen of the British nations will be trained in Canada.

The attainment of each of these objectives is essential to a total war effort by our country—to achieve them every person should serve in that field of war activity where he or she can most effectively further the total war effort, for it is the totality of the war effort that counts.

Our National Selective Service system must be in aid of these objectives. We must make the best use of our manpower and womanpower. Our approach to the problem should be realistic and practical. We must not permit ourselves to be diverted from our objectives by controversies over methods. The attainment of the objective and not the means is the thing that counts.

Canada must hold herself steady and united in her determination to redeem her national pledge of maximum war effort.

Every Canadian man and woman must answer to the call of duty, for this is our war. This is the war of the Canadian people. Canada has never in her history failed to respond to the call of duty. It must not be said of her, after this conflict is over, that she entered this war as a free nation but failed in her national duty, that she promised her utmost aid but did not give it.

As I see it, every individual Canadian, whether of British or French or other origin, has the national honour of Canada in his or her charge.

J. T. Thorson

MINISTER OF NATIONAL WAR SERVICES

★ This article is the seventh of a series, by Canadian legislators, on matters of vital World and National interest. This series will be published in newspapers across Canada; the next to appear on April 18th followed by others on alternate weeks thereafter.

This space is donated to Canada's United War Effort by the Hull Iron & Steel Foundries Limited

In the Riom Trial, Will the Judges Stand Firm?

BY HENRI LAUGIER

THE Riom trial is under way. History will prove whether there has ever been such a scandalous and shameful proceeding. But in reality no man with a conscience can have any doubts...

The men who have been indicted before the Riom Court are either politicians or technicians. However one may judge the political activity of the former and the technical decisions of the latter, they are not responsible for the crimes of which they are accused.

Those who are politicians have always respected the constitution and the law; whilst they have governed, they have had the continued support of the Parliament elected by the country. The responsibilities they have accepted have been assumed in the exercise of their constitutional and legal power; there is not one decision which has not been approved, separately or jointly, by the vote of the parliamentary assemblies. The day on which the confidence of Parliament failed to support them, and before the measures which motivated this mistrust were put into effect, they renounced their power. If there be responsibility, it is the responsibility of Parliament, and so, that of the entire nation.

Legal Jugglery

Those who are technicians may have perpetrated technical errors. In the positions of high command or of high office which they held, all their decisions were entered in reports and estimates under the permanent control of a Minister, of a parliamentary commission, or of Parliament itself; thus the country. It is only by an inadmissible juggling that one can attempt to make them bear penal responsibility for the defeat.

In the juridical conditions under which the trial has been instituted, there is no doubt that specialists in law would be better qualified than myself to draw up a list of the universal and permanent guarantees of justice which have been so atrociously violated by these accusations and this procedure. This list will be made by jurists. France, however, in her national education of all grades, throughout many generations, has inculcated so deeply in her children respect for the Rights of Man, that it will be permissible for me, a mere French scientist, to state that never has there been amassed such an abominable accumulation of actions and of proceedings contrary to justice and to the framework of the law, never has there been so shameless a violation of the fundamental principles which have been adopted for centuries, from the Romans down, by the civilized peoples of the world.

Plain Tyranny

Men have been accused by enforcement of a retroactive order under new penal laws established by the tyrant. It is a universal rule of human law that no one may be condemned for actions which were not punishable by law at the time when they were committed. These men have been punished once without trial and without defence, by an act of the tyrant, by virtue of superhuman prerogatives which he has conferred upon himself. These men appear today before the judges who have been appointed by the tyrant himself; they appear, to be condemned a second time for the same deeds.

The defence will be very limited; the Court reserves its discretion to agree or to disagree with the witnesses; it has received secret evidence and reports which will be communicated neither to the accused nor to the defenders.

Now the absolute liberty of the defence, its thorough knowledge of all the facts relating to the charge, are elementary conditions of justice; they represent the precious acquisition of civilization and are the heritage of the democracies; they are explicitly inscribed in the sacred texts of liberty, the Declaration of the Rights of Man, the American Bill

Already the wild tyranny which decreed the Riom Trial has back-fired against Vichy and against the Nazis who demanded it.

Blum and Deladier with a courage beyond praise have given evidence and asked questions tending to show that the Court has no foundation in French Law.

The actions of Ministers and technicians before the surrender followed advice given by Petain, the foremost military authority under Government. How can a charge be laid against them by that same authority?

of Rights, and the English Magna Carta.

The history of the world is the history of the attainment of liberty. The Vichy Government has, by a single action, dashed to earth this structure of guarantees, of safeguards constructed by the fervent hands of generations of democrats of all the countries fostering individual liberty and human dignity.

What is to be said of the atmosphere which surrounds the trial? It fills one with disgust. Marshal Petain, the instigator of the accusation and the first supreme judge, who has already condemned the accused today, was covered with honors and given responsibilities by each successive government of the Third Republic. From 1917 until 1940, under diverse titles, he was the highest French authority on the problems of national defence. He was Vice-President of the Supreme War Council, Chief of the General Staff, Inspector General of Territorial Defence, and Commander in Chief.

Petaim Supreme

No Government has ever existed, of the right, of the left or of the centre, which has either permitted itself to neglect Petain's advice, or to ignore his opinion; no Army Chief has ever dared to take a decision or frame military policy against Petain's wishes; no Parliament has refused to yield to Petain's demands; and it is doubtless in this general attitude of absolute reliance on Petain that there is to be found one of the essential faults of the third Republic, and one of the most definite causes of the defeat.

Today this man, having by the defeat been restored to absolute power, Head of the French State, is answerable only to his own conscience and God, and to Hitler. Arraigned before his undignified caricature of justice are the technicians who were his subordinates and his collaborators, who executed his orders.

I am not sufficiently ambitious to claim that I represent accurately the average Frenchman, but I am an unusual man and I am certain that the sentiments I express are more or less similar to those of the Frenchmen who have made France great in the world, who maintain the flame of the spirit in France and out of it, and who have confidence in the liberation and in the resurrection of their native land.

With implacable spiritual courage Léon Blum asked the Court to declare itself unconstitutional.

Some newspapers speak of the haughty attitude of Blum; this is possible; there is such a different level of humanity between Léon Blum and his accusers, that the simple and eloquent recital of his clear thinking doubtless appeared to come from above, full of contempt for such mediocrity having these great powers at its disposal in order to accumulate so many ignominies. But Léon Blum haughty? Friends who knew him, do you recall his lucid intelligence, his fine courage, both physical and intellectual?

It was not France however, but the Vichy Government which appointed this tribunal. The Vichy Government does not represent France. Maintained in power by the tolerance or the will of the enemy, it only continues because it is supported by all the material and military power of the enemy. If France could vomit, this Government would be vomited by the country in one instantaneous retch, without any effort.

France has always been faithful to the ideas of human liberty, of jus-

tice, of reason and of progress, which have been hers for generations, and which are those of the peoples united in the fight against Fascist ideologies. They have, however, been bound and gagged and bled white by an enemy which has sworn their annihilation. France has the knee of the invader on her chest. Her mouth is mute, but the silent movements of her bloodless lips tell the world of the indignation which animates her against a Government whose ideology is contrary to everything which has constituted the grandeur of "La Patrie" throughout the generations;

contrary to everything for which the soldiers of the coalition of liberty fight and die.

O my Canadian friends, the Riom trial dishonors the Vichy Government, but the face of defeated France remains for ever clean.

Today, when it is possible for an instant to turn away the eyes from the battlefield, the whole world looks towards Riom and asks itself with an anxious hope: "Will there be judges at Riom?"

Let us hope, for the honor of the French magistrature, that the answer will be in the affirmative. The civil justice of the Republic may sometimes have lacked passion in the prosecution of the guilty, but I do not think that it would be possible to cite examples where this civil justice would have condemned deliberately, on the order of the executive authorities of the State, men whom it knew, in the depths of its conscience, to be innocent of the crimes of which they were accused.

Everything is therefore possible. So many successive upsets have occurred in the composition of the court, so many changes among the

judges, so many additional magistrates and new experts, so many changes in court procedure, on the significance of which we are so badly informed, that in our hearts and in our minds anxiety accompanies fear. May it be for the integrity of the law and for the free and unchanged spirit of enchainment France to inspire the judges of Riom!

Let them remember the deeply moving words of David Hume, recently recalled by Henry Torres: "The Fleet of Britain, her power, her monarchy and her two Houses of Parliament have but one aim, to maintain the liberty of the fifteen judges in the Court of King's Bench."

Today, the Fleet and the Army of France are either prisoners or are under the direct or indirect control of the enemy. The power of France is overthrown. The "Chambres" are dumb and paralyzed. The great judges of France are alone, face to face with their courage. Their liberty has no guarantee beyond their heroic consciences. Let us hope ardently that from their deliberations will emerge the act of deliverance for which the whole world waits.

You taste its quality



Once you taste ice-cold "Coca-Cola", you recognize its goodness and its quality. It never fails to please... and to refresh. Ice-cold "Coca-Cola" brings you something original in the way of a "delicious and refreshing" drink. You'll like "Coca-Cola"... it's the real thing.

I'm "Coca-Cola" known, too, as "Coke". Everybody likes to shorten words. Abbreviation is a natural law of language. You hear "Coke"... the friendly abbreviation for the trade-mark "Coca-Cola"... on every hand.

THE COCA-COLA COMPANY OF CANADA, LIMITED

The strategic importance of the island of Madagascar, off the east coast of Africa, has increased enormously with the virtual closing of the Mediterranean Sea to traffic. Now it lies athwart Britain's main sea route to India, threatened by the Japanese drive through Burma.

Madagascar is not only strategically located but has important natural resources and a colorful background. The story is by a traveler who knows the island well.

Japs Covet Strategic Madagascar

BY H. FRANCIS DUNCAN

AT THE moment the island of Madagascar still lies far from the turmoil of war, but it would be an ideal base for fresh Japanese aggression should they succeed in getting as far.

The Japanese want to control the Indian Ocean. Their further penetration into Burma and the occupation of Sumatra and Java, giving control of the vital Malacca Strait, go far to make this possible. If they could rely upon bases in Madagascar lying athwart the main sea routes from Britain to our Middle East

forces and India, their task would be infinitely easier, and our task of defending the Indian Ocean correspondingly greater. Few remember that Madagascar is the third largest island in the world, with a length of almost a thousand miles. With Vichy connivance the enemy could easily establish secret submarine fuelling bases, and they would be extremely difficult to discover.

The fact is that, with the virtual closing of the Mediterranean to traf-

fic, Madagascar has re-assumed all its old strategic importance. During the days of British and French rivalry in the East, in the eyes of Europe the importance of the island lay not only in its supposed inexhaustible natural wealth, but, more especially that, before the cutting of the canal, any naval Power established there would command the only sea-route to India and the Far East. Early last century English influence became dominant in the country,

mainly due to the work of Protestant missionaries, but in 1890 Lord Salisbury's Government recognized the right of the French to establish a protectorate there.

A Vital Position

As the island lies off the east coast of Africa, in the most vital of all positions as regards our ocean lifelines, it is certain that any change in its status would be the object of the gravest concern to Britain and the United States. Actually the French are in a very small though ruling majority. There are about 25,000 whites out of a population of just under four millions, and the native men, when trained, make first class fighters. It is known that France has considerably increased the strength of Madagascar's defences of late years. The most notable event of recent times was the sweeping electoral reform, which increased from 700 to 30,000 the number of natives entitled to vote in elections in the colony's financial and economic delegations.

There is no doubt as to the tremendous value of this magnificent island to France. It covers almost a quarter of a million square miles, and more than 3,000,000 acres are under cultivation for rice, beans, vanilla, sugar-cane, corn, tobacco, and other tropical crops. Timber, agricul-

PROGRESS

SO MUST the whole world suffer and despair—
Nations grow dark with horror; cities bleed;
Countries cry out in torment of their need;
Earth's very heart to anguish be laid bare—
That Man may rise up groping in the night
To take one labored step toward the light.

Kingston, Ont. BLANCHE I. POWNALL

ture, and minerals, including phosphates, gold and radium add to the wealth of Madagascar. Yet even in normal times Madagascar is almost unknown to British visitors, although its mountain scenery is glorious, and the vegetation incredibly rich. Good new roads have been made which render travelling a pleasure, from one end of the island to the other. Among other natural beauties are mountain lakes embowered in trees, stupendous waterfalls, and Ambositra, "City of Roses."

Early Failures

Despite these wonders Madagascar was long before it offered any return to European colonizers. Indeed early settlements were such failures that Madagascar became known as "the island of disappointed hopes." The little trading posts, remote from succour, succumbed to the attacks of the savage tribes, and even more to the deadly climate of the coast. It is an irony of history that the only one which flourished even temporarily was the one established by Captain Kidd on the small island of Ste. Marie. From there, from 1688 for 30 years, it preyed on the East India trade, and its ill-gotten wares found a ready market.

The present position of Madagascar is mysterious, and it is a mystery island in other ways too. Geologists ask, was it torn from Africa? But although fossil remains of such beasts as those living in Africa, the hippopotamus among others, are found, none are known to have lived on the island within historic times. It is believed the animals retreated before a climate that was getting colder and then a volcanic upheaval occurred separating the island. Again, some of the inhabitants are obviously Malay in origin. Was Madagascar also linked with the East, or did these peoples undertake long voyages to new lands like the Maori sailed to New Zealand?

WHAT YOU SHOULD KNOW AND DO ABOUT SUGAR RATIONING

HERE ARE THE SIMPLE FACTS:

With the opening of war in the Pacific, important supplies of sugar for the North American Continent were shut off—and may be shut off for a long while.

As good partners fighting a common foe, we have to share the available supply of sugar from the Caribbean and American sources with the United Kingdom, Russia and other allied countries.

Stocks of sugar in Canada are actually sufficient to meet normal needs. Precautionary measures had to be taken, however, to reduce the consumption of sugar in this country, in order to maintain ample reserves against all emergencies, and in case the restricted sources of sugar should still further dry up. The United States was also compelled to put similar regulations into force at the same time as Canada.

YOU NEED NOT HOARD—YOU MUST NOT HOARD

The retail price of sugar is controlled under the Price Ceiling regulations—and will not be increased. There's absolutely no need for hoarding, but extravagant use of sugar is inexcusable and Canadians must make some reduction in the consumption of it. We're lucky it's not more.

SUMMARY OF THE SUGAR RATION LAW

1. The ration is $\frac{3}{4}$ pound per person per week, including adults, children and infants, members of the family, boarders, servants, and guests who remain for four days or more.
2. Purchase your sugar in the ordinary way, but not more than two weeks' supply at a time. No coupons, stamps or tickets are required.
3. Do not purchase any sugar if you have two weeks' supply or more on hand.
4. Persons in remote areas who are not able to buy frequently may continue to buy more than two weeks' supply at a time, but must measure their consumption at the ration rate, namely $\frac{3}{4}$ pound per person per week. Grocers must keep a record of purchases in excess of two weeks' supply.
5. Economize on sugar in every way you can; many people can get along on less than the ration.
6. Additional supplies of sugar will be made available for home preserving and canning.
7. The restriction applies to cane and beet sugar of all kinds—granulated sugar, icing sugar, fruit sugar, brown sugar, raw sugar, etc.
8. Retailers are entitled to refuse to sell or to limit sales to any person they have reason to believe is attempting to disregard the law.
9. Penalties provided for wilful infractions of these regulations are imprisonment for as long as two years and a fine up to \$5,000.00.

YOU MUST OBEY THE LAW

THE WARTIME PRICES AND TRADE BOARD, OTTAWA

SM-1

THE OTTAWA LETTER

Gordon Tells You What You Get and Where You Get It

BY G. C. WHITTAKER

moving as if the devil were behind him.

There is more than meets the casual eye in the manpower plan. It doesn't feature formal compulsion for war service—but it is designed to narrow the need for compulsion, to construct the field in which it could be effective. A man may not be conscripted out of a job in civilian industry to a job in war industry, but after a while he is likely to find that the only job open to him is in the fighting services or the war factory.

Superficially, the most clear-cut part of the plan is that which freezes farm labor in its present employment. From all accounts this was urgent. And, incidentally, it may be taken as bearing out the presumption that Colonel Biggar spoke from a knowledge of the mind of the Gov-

ernment a while back when he ranked the supplying of foodstuffs as of first importance in Canada's contributions to victory and the supplying of fighting forces last. It cannot be without significance that the official Bureau of Information now follows the Biggar order of precedence in tabulating our war efforts: 1. food; 2. munitions; 3. armed forces.

Influences on Employment

The possible effectiveness of less arbitrary parts of the plan must be assessed in the light of conditions in which they apply. On the face of it the provision that men of military age (17 to 45) may not be hired for

non-essential occupations, taking in most civilian employment, may not seem drastic since few men now remain without jobs. But the possibilities of this prohibition become larger when it is remembered that the standardization and mass production economies Donald Gordon is applying to civilian industry will soon have the effect of releasing large numbers of men from non-essential production. They will have nowhere to go but into the army or the war plant. The same kind of indirect pressure will also serve to implement the order which makes it compulsory for non-essential employers to release skilled workers who may be designated by the Labor Minister as needed in war industry and who are willing to transfer. The order does not compel such workers to

transfer, but if they fail to do so they too may find their non-essential employment has disappeared. Through the manpower inventory now being compiled, Manpower Director Little will know where such skilled workers are to be found.

And we learned something the other day which suggests that the full story of this effort is still far from being told. A certain Canadian company is organizing and tooling up for one of the biggest jobs given out since Pearl Harbor. A plant down in the States is doing the same for a similar job. The Canadian management thought it should benefit by some pointers from the American company. It sent a couple of its experts down to learn. They figured on staying two weeks or more. But it took them only a few days to find that if either company had anything to learn from the other it was the U.S. firm. And now experts from the American plant are here or coming to get pointers from Canada. The two companies have about the same number of skilled workers but the Canadian plant is operating at about a third of the overhead cost of the U.S. plant.

LOGISTICS

Strategy is the planning of warfare.

Tactics is the execution of those plans.

Logistics, the third branch of military science, is the supplying of everything necessary to strategy and tactics—in the right amount, at the right place, at the right time.

Now, in *total* war, we must apply the science of Logistics to all of our activities as a nation—civilian as well as military. WE-ALL are part of the Victory Program.

Our supply lines are literally life lines of the United Nations. Manpower *and* munition-power are the controlling factors.

Today, Logistics dictates strategy—determines tactics.

The governments of the United Nations have appropriated billions of dollars *but they cannot appropriate one single second of time.*

Time favors those who appreciate it as the priceless commodity it now is.

In war, when we save time we save lives—and we make our individual contribution to Victory.

DEPARTMENT OF LOGISTICS

INTERNATIONAL BUSINESS MACHINES COMPANY LIMITED

KNOWING which side our bread was buttered on (the advertising manager will understand what we mean) has never quite kept us from the feeling that there must be something haywire in a commercial system which supplied us here in Ontario with no visible price premium, a sack of flour milled in Winnipeg, a box of candy cooked in Halifax or a can of dog food packed in Vancouver while Ontario flour and candy and dog food were being sold on similar terms in Winnipeg, Halifax and Vancouver. We have had the sense of wastage somewhere and the suspicion that if we weren't paying for it somebody else was. One of these days we shan't have any further occasion to worry about the matter. It's one of the things Donald Gordon is taking off our shoulders.

The Price Ceiling Administration no sooner gets one trouble out of the way than it has to take on another. It has been going places in recent weeks in the matter of production costs. Wartime advances in the costs of raw materials and labor are in the way of being counterbalanced by standardization. Frills and furbelows are being placed without the law. So far standards have been fixed only for canned goods, clothing, shoes and a few other things, but the process is being rapidly extended to virtually all consumer goods. The matter is well in hand. Now the Gordon Board is moving in on wastage in distribution. Not only are we going to get only the things and kinds of things Mr. Gordon decrees we shall have, but he will also determine the sources from which we get them. These will be the sources from which we can get them at the lowest cost of distribution and delivery.

The appropriately named Division of Simplified Practices of the Ceiling Board—headed by John Labatt Limited's Hugh Mackenzie—has on its drawing board plans for zoning distribution on a national and regional scale. On the way out with the competitive system are practices that were the necessary appurtenances of competition. Business isn't going to be permitted to retain even the framework of them against a hoped-for but problematic return to the old ways after the war. That's what Gordon meant when he said that in the approach to a total war footing too much concern could not be spared for long-term effects. Necessaries of civilian life will be supplied by sources from which they can reach the consumer at the lowest cost.

The Bread Trust

Starting with first essentials, the Simplified practices Division is examining distribution costs in the bread trade. Involved in this is the struggle—growing in intensity over the last decade—between mass producers and volume retail outlets in metropolitan centres and the local producers and distributors for the consumer market adjacent to these centres. This competition has been particularly acute in the bread trade. During the first years of the war when price control was informal but effective in the case of bread prices, Ottawa heard many harrowing tales of mortality among small bakeries over the Ontario countryside particularly. They were forced out of business by the scores in small towns and villages because of inability to absorb rising costs of materials and labor. A large part of their local trade has been passing into the hands of big city mass-production bread factories. Distribution from these factories has been extended over distances as far as a hundred miles.

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THE HITLER WAR

Indian Freedom; and the Commandos at St. Nazaire

BY WILLSON WOODSIDE

FROM this distance, and up to the time of writing, it looks as though the British Government, through Sir Stafford Cripps, had carried out a masterly bit of statesmanship in India. By sending a strong advocate of Indian freedom and a well-known opponent of the old style imperialism, and by going the whole way in the offer of dominion status, Britain has taken up a very strong position. As Cripps said, the question has now been put squarely up to the Indian leaders.

The British Government has even used the time limit, which the Japanese seemed to be imposing on them, to press for a settlement within a fortnight of a question which has already been debated for 25 years, and could easily be debated for another 25. But this time limit is the only compulsion in the whole proposal. Any native state or province (and the state of Hyderabad is as large as Britain, its ruler one of the most powerful Mohammedan potentates in the world) can remain outside of the union if it chooses. To proceed towards a goal by stages is entirely in the British political tradition.

Will Sir Stafford succeed? With the tactful way in which he has presented the proposal to the Indian people, asking them "to allow us to join with you in establishing your freedom and your self-government", he deserves to. His presentation and handling of the case (he is one of Britain's leading barristers) seems bound in any event to have a favorable effect in the United States, which is almost as much concerned as we are about the Indian question, and whose diplomacy can have considerable influence in bringing about acceptance of a fair proposal.

India's Best Fighters

The delicacy with which the Indian Princes are being treated, and the attention given to the voice of such a small minority as the Sikhs—who form little more than one percent of the population—underlines a point which has been given little public attention. It is these people who have co-operated most loyally with the British Raj in the past and who are the best fighters. If India is to be saved from Japanese conquest in the coming weeks and months, they will have the most to do with it, and not the unwarlike Hindus. The latter's chief leader, Gandhi, is an advocate of complete non-resistance.

The development of Jap strategy, as analyzed in last week's article, indicates more and more clearly that since the fall of Java the main effort has been shifted to the Burma-India theater and not to the invasion of Australia. A statement by the Australian Minister for Air early this week bore out directly, in fact, my propositions that the Japs had lost enough cruisers to affect their whole war strategy, and had not shifted

enough air strength to Timor and New Guinea to gain air supremacy over Northern Australia. The reaction to this in Australia has been so elastic that the talk is now of establishing unquestioned Allied air supremacy in this region and driving the Japs back out of New Guinea.

Meanwhile it is the Japs who are doing the driving in Burma, and though our forces here appear to have put up a much better show than those in Malaya, with far smaller numbers available, they are being steadily shoved back towards Mandalay. The Japanese apparently want to crush this threat on their flank before proceeding with an attack on India. The latter might begin with a sea-borne descent on the port of Chittagong, near Calcutta, and another on Ceylon.

Middle East Drive

With the shifting of Japanese forces to the Indian Ocean area, the evidence continues to gather that Hitler is all ready to go with a Middle Eastern offensive. The Axis partners might plan to put the squeeze on Britain here first, and then proceed with a joint attack on Russia later. For Hitler a Middle Eastern drive could serve and probably would serve, as the first stage of an offensive against the Russian Caucasus, aimed at seizing the main Soviet oil supply.

There were indications last fall when Budyenny's Southern Army seemed to be cracking and the Germans were sweeping across the Donetz and the Crimea, that passage across Turkey to clamp the second arm of a pincers on the Caucasus formed part of the Hitlerian scheme. Last year's second stage may now be carried out as this year's first stage. Landing with boats and barges from the Aegean isles in the neighborhood of Smyrna, and from Bulgarian ports well behind the Turkish line of the Straits, the Germans might try to drive across Turkey, and bring their transports along the Black Sea shore, to establish an advanced base in Eastern Anatolia for operations against the Caucasus.

By the time this could be done, summer campaigning weather would have arrived in Russia, and the main push north of the Black Sea could be set in motion. While the army in Turkey moved against Batum, that in the Crimea could move on Novorossisk. The capture of these two points, together with Sevastopol, would deprive the Soviet Black Sea Fleet of all its bases. Then Hitler would be relatively free to move troops by sea from Varna and Constanza across to Batum for an attack on Baku.

Halt Russia's Advance?

What Hitler appears to be trying to do now in Central Russia is to bring the Soviet winter offensive finally to a halt with heavy local counter-attacks. It is notable that he is throwing in some of his best new planes, including the Messerschmitt 115 and the Focke-Wulf 2-motored pusher-type fighter, which has also appeared over the Channel. Once he was assured that the front was stabilized he could go ahead with his Middle Eastern drive, confident that heavy operations could not be resumed by the Russians until the spring mud had dried. It was Cripps' opinion on his return from Russia that the ground would not be fit in the south until the latter part of May, at the earliest. It seems that when that time comes Hitler has no choice but to put on another big offensive, or let the initiative fall to the Russians, with perhaps disastrous consequences to the morale of his troops, who have already suffered much.

If Hitler were to throw his main weight against the Southern Russian front he would have to continue holding operations on the Moscow and Leningrad fronts, while doing all he

could to prevent British and American munitions from supplying a big Soviet counter-offensive in this region, where it could strike most directly at the Reich. The operations against the Murmansk convoy route which were foreshadowed when the *Tirpitz*, *Scheer* and *Prinz Eugen*, perhaps one or two other cruisers, and reportedly the aircraft-carrier *Grey Zeppelin*, were moved to Trondheim,



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have now begun, with a battle of which the British report is not yet to hand.

The Germans seem to have come off badly, however, else why would they be so quick to admit the loss of a destroyer and damage to a cruiser? The danger up in these regions is not all to our convoys; the Navy has shown itself quick to take advantage of the opportunity to get at Germany's few important warships. Already the *Prinz Eugen*, one of Germany's three heavy cruisers, has been laid up with a couple of torpedo hits from one of our submarines; while the *Tirpitz* may have taken an aerial torpedo near Narvik a fortnight ago.

While we are on the subject of cruisers, the Admiralty has announced the loss of our 15th for the war, the *Naiad*, first of the small *Dido* Class, launched in February, 1939. These are 5450-ton ships, mounting ten 5.25-inch high-angle guns, which can be used for surface or anti-aircraft work. It isn't reported where the *Naiad* was lost, but it may be significant that four of these cruisers, with one slightly larger 6-inch gun cruiser, were the covering force for the Malta convoy which was attacked by a heavy Italian squadron two weeks ago.

A Remarkable Action

With their 75-pound and 100-pound shells our ships drove off a new, heavily-armored battleship firing 1900-pound projectiles, two heavy cruisers firing 250-pound projectiles, and four six-inch gun cruisers, which ought to have been just about a match for them by themselves, together with accompanying destroyers. That must be ranked as one of the most remarkable naval actions of the war. But perhaps it only proves, once again, that the Italians have no heart in their fight for Hitler.

Probably a large part of the cargo taken in to Malta by our convoy consisted of anti-aircraft shells, for Valetta's big barrage must throw an enormous weight of metal into the air, busy as it has been day and night for weeks past. Such constant activity would also mean frequent replacement of the anti-aircraft gun barrels. It seems plain that the German plan is to wear down the defenders' equipment and supplies, fire them out, drive their fighter planes out of the air, and then invade the island—that is, do on a small scale in Malta what they failed to do in Britain in the fall of '40. From the risks taken to supply Malta it is plain that we intend to hold the tiny island base, besieged for nearly two years, raided over 2000 times.

But by far the most stirring recent naval action was the raid on St. Nazaire last Saturday morning. From all accounts, including German eye-witness reports, it appears that the job came off almost as planned, that most of the objectives were reached and blown up, in spite of very heavy German resistance, and that, all in all, the attack compares favorably with the famous one against Zeebrugge in 1918.

Biggest Shipyards

St. Nazaire had the biggest ship-building yards on the European continent before the war. The *Normandie* was built there, and the big battleship *Jean Bart*, sister-ship to the *Richelieu*. The *Jean Bart* had her engines installed, and her forward four-gun turret, at the time of the French collapse. With the Germans only three hours away from the port a crew was put aboard, all the anti-aircraft guns available were clapped on deck, and she was sailed off for Casablanca. There she has been lying, gathering weeds on her bottom ever since.

There is a high tide at St. Nazaire, and the great development of the port, and its full use around the clock, have only been made possible, by the fact that two basins, one large and one small, have been fitted with lock gates which hold the water in during low tide. The bigger basin is half a mile long, and it was against the outer gate of this one that the old American destroyer was driven, to blow up 2½ hours later. Photographs taken since show that the gate is no longer there, and ships lie

stranded in the basin.

In one corner of the big basin are several dry-docks, for scraping and repairing ships. One is big enough to take the *Tirpitz*—or the *Jean Bart*, or *Richelieu*—and is in fact the only dry dock on the German-held Atlantic coast capable of taking such major warships. It is not clear whether the gates of this big dock were also blown up, but it was effectively put out of use for months to come by the blowing of the outer harbor gate, and by the demolition of the pumping station

which emptied it, after the ship had been propped up.

Another job which may have been done, but of which not the slightest mention has been made, is the burning or blowing up of the ways on which the hull of the *Gascogne*, a further ship of the *Richelieu* Class is taking shape. Very little progress had been made with this ship by the time of the French defeat, but the Admiralty would be well posted on the progress which the Germans may have made with it since.

It is not stated in just what part

of the harbor the U-boat base was located, but it may have been in the smaller, older basin to the west. I have seen photographs in the *London Illustrated News*, reproduced from a German magazine, of the gigantic concrete structure which had been built here as a bomb-proof shelter for submarines when in harbor. They used the same sort of thing, on a smaller scale, on the Flanders coast in the last war. Two delayed action torpedoes were driven against the lock gate leading to this submarine basin, which ought to have put it out

of use for some time, though probably not as long as the main basin.

That is a big blow in the Battle of the Atlantic, and if the cost has been no more than one to two hundred men killed and missing, one old destroyer blown up, and some assorted damage to other vessels which took part, then it has certainly been worth it. We can afford many such raids at a far smaller cost than the maintenance of a front in France or Flanders. It looks as though we or rather the Nazis were going to get them.



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Mohammedans and India's Problems

BY HERBERT A. MOWAT

ACCORDING to Lawrence of Arabia one of the illusions of the last century was the spectre of Pan-Islamism. In his opinion it was as absurd and impossible as Pan-Christianity. Foreign offices of European powers made this ghost walk periodically for its threat value. During the first four decades of this century it has provided one of the chief arguments of the British ruling class against the granting of self-government to India.

They have reiterated that the Moslems will never stand for it. Dominion status to India would be a rank injustice to the Mohammedan minority and will be the immediate cause of insurrection and bloodshed. More than that, Moslems throughout the world will revolt against the governments of Christendom. Great Britain rules the largest Moslem population of any great power: this

It is claimed with much justice that the likely violent opposition of the Mohammedan minority to the realization of Indian self-government is the most formidable hurdle on the course to the goal. The conviction is gathering strength that this high hurdle must be attempted even if a bad spill results. There is a suspicion that if this risk is not taken the race itself may be called off altogether.

The problem confronting Sir Stafford Cripps and Sir Archibald Wavell is one of frightful complexity. Some of its Pan-Islamic and Pan-Asiatic aspects are of special interest.

rebellion, starting in India, might cause the break-up of the British Empire.

Now that the time has arrived for the revision of the policy of Great Britain in regard to India—a vital element in the military security of the United Nations—one or two

observations about traditional objections may be of interest.

The prime objection is the assumption that Moslems find it impossible to live at peace in a country where they are not in control. This has not been the case in China where the Mohammedan population numbers 48,000,000 worshipping in 42,000 mosques. Of this grand total 6,570,000 are in Manchoukuo, utilizing for worship 6,570 mosques. Yugoslavia as constituted before the German invasion boasted 1,561,000 followers of the Prophet and Bulgaria with a smaller population contains 821,000. During the last twenty years these groups have functioned without major disturbance. The sub-tropics from Morocco to Java have not been set ablaze with the fires of Moslem revolts protesting the suppression of these obvious minorities. Palestine is not a guide in this matter because the population of the Levant is overwhelmingly Mohammedan.

successor of the Prophet,—was even considered by some sects a Messiah destined to have supreme world power in matters of religion and government. The Turkish diplomats of the eighteenth and nineteenth centuries resurrected this long dormant idea of a Khalif and used it.

Since the establishment of the Turkish Republic many claimants for the office had arisen, some of them planted by European powers with a political axe to grind. Lawrence asserted near the close of the nineteen-twenties that he knew of at least eight Khalifs. Every ruler who had the power had forced his subjects in recent years to regard him as a Khalif, and this practice had become so general that the Khalifate game had become enormously cheapened. Lawrence felt that soon some Mufti would be warmed up for such a role, since so many rulers had been used up in the game. These comments of his are pertinent because the Khalifate is the necessary capstone of the Pan-Islam pyramid.

General Wavell

If the Mohammedans of India are to be the problem children in the governmental system about to emerge, it is important that in the military sphere the forces of India be led by one who understands the Mohammedan. Such a leader took over when General Wavell resumed the post of Commander-in-Chief. Not

Religious Wars

It is true that the British have had unfortunate experiences with local religious wars such as the affair in the Sudan with the Mahdi almost fifty years ago, handled so decisively by Lord Kitchener. This war was a local affair judged by the present compass of warfare: although it was a religious war to the fanatical followers of the Mahdi it would be bragging to mention it in the same breath with Pan-Islam. It has been a trick of the Axis and others to arouse Islam and embarrass the British Government by parading the Kaiser as a Khalif, Adolf as Khalif and—get this one—Benito as Khalif, the Prophet's Anointed to lead the faithful to the world dreams of Pan-Islam. Such lying claims have been received with quiet contempt by the faithful, except possibly by some mufti or sheik heavily subsidized with Axis gold. It is not surprising that when the spokesmen of the British Foreign Office or its envoys played up the bugbear of Pan-Islam Lawrence of Arabia claimed it to be pure bluff.

As an illustration of the Government's lack of accurate information and credulity in this matter Lawrence cited that when he had won the allegiance of the Sheriff of Mecca, King Hussein, to the British cause, he trumpeted the achievement as a great triumph. He represented it as an accession of strength that would influence favorably the whole Mohammedan world. Lawrence admitted that this claim was pure fiction but he played up the idea so that his Government would give him a free hand and increased authority to organize the revolt in the desert. Lawrence knew that the tribal and blood feuds of the Arabs had their counterpart in the sectarianism of their religious life. Their genius made for division rather than solidarity. He was the master of men at the fountain-head of this faith—the terrain in the Arabian peninsula that gives domicile to the holy cities of Mecca and Medina.

Mohammedanism

His power of command is mentioned at this time to suggest the authority of his opinion on the world dynamism of Mohammedanism. In relation to the India of today the evaluation of this factor is an item of special significance. And Lawrence's comment on the Khalifate ten years after World War I cannot be justly disregarded. Among the Mohammedans the Khalif was to be the

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only is he qualified by his experience with Allenby in Palestine but by his work as Chief of State in Egypt in the two years, 1919-20, following the defeat of the Turkish forces. Egypt was then seething with nationalism and shortly afterwards was accorded the status of an independent state. It was during this latter period that Wavell began to emerge into the soldier-statesman class.

But a family connection with Major A. J. Wavell, a first cousin one year his senior, was the means of a vital and even emotional interest in Islam. When the late Arthur J. Wavell was a planter in Kenya in 1906 he employed numerous Swahili natives, Arab-speaking and followers of the Prophet. He soon mastered their language and through it became interested in their religion. In an assumed character he visited Mecca in 1908 during the season of the pilgrimage. He lived in the holy city for a month as the paying guest of a Moslem family who believed they were entertaining a Moslem native of Zanzibar. He was never unmasked, a fortunate matter for him for the penalty was instant death at the hands of the true believers. That this visit was epoch-making may be judged from the fact that the last visit in similar circumstances had been accomplished in 1853 by Sir Richard Burton in the guise of an Indian doctor.

Javanese Pilgrims

Pilgrims were present in their tens of thousands from every part of the world inhabited by Mohammedans. Wavell was intrigued by the Javanese who number forty million Moslems in a forty-two million population, a religious development that dates from the middle of the fifteenth century when the Arabs conquered Java. These religionists from the South China Seas were regarded with great favor by the Arabs for two reasons. They had more money to spend than any other class of pilgrim and delighted in adorning themselves with the costliest clothes and ornaments they could buy; furthermore they flattered the people of Mecca by imitating to the minutest detail the religious customs and ceremonies of their teachers. That the Arabs were proud of their co-religionists was shown by the statement of one, Abdur-Rahman, which Arthur Wavell records in his book "A Modern Pilgrim in Mecca".

"It is in these people and not in the Turks that our hope for the future lies. They possess all the qualities the Arabs lack and will take from the Europeans their inventions and use them against our enemies just as Japan did with Russia."

This brings to the author's mind the whole problem of modern Asiatic development and Cousin Archibald must read the following paragraph with a strange sense of destiny as he gives leadership to the forces attempting to repel the Japanese invasion of India.

"Our fathers regarded the Japanese in very much the same way as today we regard the Zulus. Possibly the next generation will have cause to reproach our lack of foresight in some similar instance. . . Many people may be quite right in supposing that the power and civilization of the world will remain for all time centred among the nations of Western Europe, but there is nothing to prove it. Inductive reasoning, based on what we know of the world's history, leads to a contrary conclusion."

This warning written in 1912 seems prophetic of the trends in Asia during the succeeding thirty years. Russia, a great Asiatic power, has developed a giant's strength among the nations; the enormous reservoirs of man-power with their staggering potential—India and China—are now the object of conquest and integration into a new order by totalitarian Japan. The future of China is at the mercy of India, her last line of communication with and base of supplies from the United Nations. To liquidate the present non-cooperative and possibly hostile attitude of the Congress of India and replace it with an all-out effort for the defence of India is the most vital need of this urgent hour. The railings of Tory editors in England at the impertinence of Generalissimo Chiang Kai-shek in advising "real political freedom" for India have the significance

of froth in a tornado. India is now part of an Asiatic organism where a political paralysis of one member means the likelihood of ruin for the whole body.

Sir Stafford Cripps and the British Government must come to a quick decision. On the basis of mere expediency the risks of political inaction would seem more hazardous than those of a bold decision in the direction of "greater political free-

dom." The deadly threat of Japanese aggression can be the means of fusing conflicting elements into an invincible solidarity until the war is won. People clamant for freedom will not be anxious to hand over a freshly won liberty to Japan.

Chiang Kai-shek has the wisdom to know that if people want freedom which they are denied, it is absurd and foolish to expect them to fight victoriously with or for such mas-

ters. Although the Chinese price for freedom in the coin of human agony and sacrifice has been much greater than that of Britain, the native of the British Isles today knows that freedom is the only commodity worth the price he has paid in blood. What he has learned in two years has altered his attitude to the people of India and he has compelled his leaders to jump to action stations on the Indian ship of state with an alacrity

they have never shown before.

It does not yet appear how radically the English-speaking world will be affected by the increasing dynamism of the modern Asia. But it is inescapable that our fortune will be better with the good-will of China and India than without it. Failure to act wisely now—in the words of Arthur Wavell—may cause "the next generation . . . to reproach our lack of foresight."

THIS MAN IS DIGGING A DITCH . . .

Any work is better than a bread line. It is good for his muscles. But tough on his spirit, and on his children. By training, he is an electrician. His old job was building radios. His war job was building direction finders, he and hundreds like him. They did the job well. He has no regrets. But now the war is won, he is puzzled, while he digs a ditch nobody really needs! Why did people forget so quickly? Why did they let his sister, too, end up with no useful job? Surely, he thinks, if industry had been wiser, it could have won the war AND done something to make sure that all those people and all those machines had a useful job to turn to when it was won? There is little freedom in bread lines.



Shall the wheels then RUST?

Few can be so blind now as to doubt that our first job is to win the war!

It is the job of every Canadian man and woman . . . of every Canadian machine . . . of every Canadian business large or small. Old standards of management in industry, old conceptions of what is "necessary" to our personal comfort and well-being must go by the boards. We will voluntarily surrender, for a time, many of our inherited civil liberties to make sure we keep the ones which really matter . . .

No one questions that painfully much is to be done, and quickly. BUT in our zeal and in our haste, *let's be sure we choose the RIGHT things to do!*

To build for the victory, or to pay for the victory, we must, if we can, first of all keep Canada a going concern! The responsibility for that lies quite as much on industry as on Government.

But, if without smugness we are confident in that eventual victory, there is another thing, too, which it seems industry and Government jointly must do: That thing is to plan for the peace!

What will the tank factories build? Who will buy the suddenly released capacity of the plastics industry? Where will the soldiers find jobs?

There is no single easy answer. Readjustment will be a severe shock at best. But, to cushion that shock as fast as can be, industry must plan to protect, not only buying power, but buying *desire*. People adapt quickly. They also forget quickly. If the latent desire for the things which make up our peace-time standard of living is not sustained, or even increased . . . then Canada will be sore put to it to find jobs either for its people or its machines.

On industry, on the foresight and the courage it displays, today rests, in part, the responsibility that tomorrow our battle lines shall not become bread lines, our machinery become rust!

THREE TESTS for management policy in the readjustment of industry to a total war basis:

1
Giving precedence to every direct war activity, industry-for-civilian-consumption should carry forward both production and distribution so that we can protect Canadian workers and their savings, sustain Canada's taxing power, avoid inflation, win the war as a going concern.

2
To the maximum which is not in conflict with the first objective of winning the war, Canadian business has the responsibility for keeping up the latent desire even for now unobtainable consumer goods . . . to help cushion the post-war re-absorption of labour . . . and to assure an outlet for tremendously expanded industrial capacity.

3
Finally, within the limits of war expediency, Canadian business has an added responsibility to help protect the Press as an independent medium of public information and inspiration . . . to assure for itself as well as for the people a truly FREE press, without which a democracy cannot long exist!

CANADIAN PACIFIC RAILWAY COMPANY

SIXTIETH ANNUAL REPORT

of the

Directors of Canadian Pacific Railway Company Year Ended December 31, 1941

To the Shareholders:

The accounts of the Company for the year ended December 31, 1941, show the following results:

INCOME ACCOUNT

Gross Earnings	\$221,446,053
Working Expenses (including taxes)	175,488,517
Net Earnings	\$ 45,957,536
Other Income	13,382,059
	\$ 59,339,595
Fixed Charges	\$ 24,228,698
Interest on bonds of Minneapolis, St. Paul & North St. Louis Railway Company, guaranteed as to interest by your Company	749,465
	24,978,163
Net Income	\$ 34,361,432
Dividends on Preference Stock:	
2% paid August 1, 1941—\$564,070	\$ 564,070
2% payable February 2, 1942—\$564,070	564,070
	1,128,140
	5,042,782
Balance transferred to Profit and Loss Account	\$ 29,318,650

PROFIT AND LOSS ACCOUNT

Profit and Loss Balance December 31, 1940	\$144,045,295
Balance of Income Account for the year ended December 31, 1941	29,318,650
	\$173,363,945
Depreciation:	
Loss on lines abandoned and on property retired and not replaced	\$ 649,076
Exchange adjustment in respect of steamship insurance recovered in sterling	1,670,032
Miscellaneous—Net Debit	658,901
	2,978,009
Profit and Loss Balance December 31, 1941, as per Balance Sheet	\$170,385,936

Net Income for the year amounted to \$34,361,432, being \$14,216,376 greater than in 1940.

RAILWAY EARNINGS AND EXPENSES

The comparative results of railway operations were as follows:			
	1941	1940	Increase or Decrease
Gross Earnings	\$221,446,053	\$170,964,897	\$ 50,481,156
Working Expenses (including taxes)	175,488,517	135,425,459	40,063,058
Net Earnings	\$ 45,957,536	\$ 35,539,438	\$ 10,418,098
Expense ratios:			
Including taxes	79.25%	79.15%	.10
Excluding taxes	71.65%	74.61%	2.96

GROSS EARNINGS increased by \$50,481,156, or 29.5%. The substantial increases occurring in the earlier months, as a result both of rising wartime activity and the delayed movement of the 1940 wheat crop, continued to the close of the year, even though the final quarter of 1940 had been a period of relatively heavy traffic.

FREIGHT EARNINGS increased by \$41,569,461, or 30.6%. They were recorded only in 1928, when the greatest grain movement in the history of our Company occurred. The volume of freight traffic was greater than that of any previous year, amounting to 22,375 million ton miles, 21.5% above the 1928 peak of 18,423 million. The average revenue per ton mile dropped to 0.79 cents, the lowest since 1917.

Apart from grain and grain products, freight earnings reached a record level, with a gain over last year of 28.1%. This was almost entirely the result of the conversion of the national economy to a wartime basis. Increases took place in every major commodity group, the most striking being in manufactured goods, lumber and bituminous coal.

Earnings from grain and grain products increased by \$11,147,124, or 40.2%. The volume of grain handled was 215 million bushels, compared with 166 million bushels in 1940. This was considerably more than the average of 155 million bushels for the ten years 1931-40, which included a period of severe drought, but was well below the average of 254 million bushels in the five years 1925-29. The increase for the year resulted from larger export clearances and additional storage capacity at the head of the Great Lakes and other terminal ports, which made possible the movement of large quantities of grain from Prairie points.

The Prairie wheat crop amounted to 279 million bushels, as against 514 million in 1940, a decrease of about 45%. However, as a result of the large carry-over from the previous crop, it is estimated that the stock of wheat available for movement from the Prairie Provinces at the close of the year was only 25% less than in 1940.

PASSENGER EARNINGS increased by \$6,895,040, or 37.5%, and were the highest since 1930. Traffic throughout the Dominion was very heavy, particularly on your Company's transcontinental line. The average passenger journey was the longest yet recorded, rising to 144 miles as compared with 119 miles in 1940. However, the low rates in effect for members of the armed forces, both on duty and on furlough, caused a reduction in the average revenue per passenger mile to 1.91 cents, as against 1.97 cents in 1940, the lowest since 1916.

OTHER EARNINGS increased by \$2,016,655, or 12.0%. The largest increases occurred in sleeping and dining car and news services. Net payments for hire of equipment amounted to \$382,296 as compared with net receipts of \$89,390 in 1940.

WORKING EXPENSES increased by \$40,063,058, or 29.7%. Exclusive of taxes the increase was \$31,095,766, or 61.6% of the increase in gross earnings. The wartime cost-of-living bonus paid to employees under various Dominion Orders-in-Council amounted to approximately \$4,500,000. The first cost-of-living bonus was made effective on June 1 under

Order-in-Council P.C. 7440, as amended by P.C. 4643, being at the rate of \$1.93 per week. On September 1 the rate was increased under these orders to \$3.20 per week, and on November 16, under Order-in-Council P.C. 8253, to \$3.65 per week. The last mentioned rate, if maintained, will involve an annual expenditure by your Company of more than \$10,000,000. The ratio of working expenses (excluding taxes) to gross earnings was 71.65%, as compared with 74.61% in 1940, and was the lowest since 1917.

MAINTENANCE OF WAY AND STRUCTURES EXPENSES increased by \$7,835,672. During the year 1,546,175 treated and 1,438,836 untreated ties were placed in track and 249 single track miles of new rail were laid. Tie plates to the number of 2,137,550 and rail anchors to the number of 790,380 were installed. Testing of rails for invisible defects by Sperry detector car was continued. These cars traversed more than 5,000 miles of track during the year, and all defective rails indicated were removed. The unprecedentedly heavy traffic now being handled and the desirability in the national interest of curtailing the demand for labour and materials in order to avoid interference with the war effort made it advisable to limit the work of maintenance of track and structures to that required for safe operation. Consequently, it was deemed desirable to anticipate maintenance expenditures that will become necessary in the post-war period by including in the expenses for 1941 an amount of \$3,500,000 to create a special renewal reserve equal to the difference between the actual expenditure and that which would have been made under similar traffic conditions in peacetime.

MAINTENANCE OF EQUIPMENT EXPENSES increased by \$7,611,509. Locomotive repairs involved an expenditure of \$10,132,262, and included the shopping of 614 engines for heavy repairs. Nine locomotive boilers and seventeen tenders were replaced and automatic stokers were installed in thirty engines. Expenditures for freight car repairs amounted to \$9,406,014. The programme for the year included heavy repairs to 23,827 cars and application of cast steel truck side frames to 3,525 cars. Passenger train car repairs involved an expenditure of \$5,957,948. General overhauling of 1,387 cars was effected during the year. To meet the demands of traffic ten lounge and live compartment cars were converted into other classes of sleeping and parlor cars and air-conditioned. Steel centre sills and other improvements were installed in six baggage and express cars. At the end of 1941, 92.3% of locomotives and 98.0% of freight cars were in serviceable condition, as compared with 89.5% and 96.0%, respectively, the previous year. Charges for depreciation of rolling stock on the basis of use amounted to \$12,700,602, as compared with \$10,317,760 in 1940.

TRANSPORTATION EXPENSES increased by \$14,152,798. In spite of higher labour, fuel and material costs, the ratio of transportation expenses to gross earnings was the lowest on record, being 32.62% as against 33.97% in 1940. Although the special traffic conditions made unprecedented demands on rolling stock and facilities, a high degree of efficiency was maintained, as indicated by the following comparisons:

	1941	1940
Freight train load—gross tons	1,759	1,747
Freight train fuel consumption—pounds per 1,000 gross ton miles	98	97
Freight train speed—miles per hour	17.2	17.5
Freight car movement—miles per car day	46.20	36.13
Freight car load—tons	31.86	30.12
Gross ton miles per freight train hour	30,312	30,653
Revenue passenger miles per train mile	74.33	55.67

OTHER WORKING EXPENSES increased by a net amount of \$10,563,079, of which \$9,067,292 was attributable to higher taxes. Railway tax accruals of \$16,833,158, including \$12,400,000 for Dominion income and excess profits taxes, were by far the highest on record, absorbing 7.6% of the gross earnings and being equivalent to almost one-half of the net income for the year. These tax accruals do not include excise and sales taxes or customs duties, which though charged to working expenses are not segregated.

A chart showing the distribution of earnings and expenses for 1941 and 1940 is included at page 35 of this report.

OTHER INCOME

Other income amounted to \$13,382,059, an increase of \$2,689,895, or 25.2%.

Dividend income increased by \$342,672. Dividends paid by The Consolidated Mining and Smelting Company of Canada, Limited, were at the rate of \$2.50 per share, compared with \$2.25 in 1940, which resulted in an increase of \$420,625 in the amount received by your Company.

Net income from interest, exchange, separately operated properties and miscellaneous sources increased by \$2,253,202. Interest received on deferred payments on land contracts was greater, and income from the Steamship Replacement Fund was accrued for a full year for the first time. The net of receipts and payments in currencies other than Canadian during the year resulted in an increase in income from exchange.

Net earnings of ocean and coastal steamships amounted to \$2,788,297, a decrease of \$287,612. Agreement was reached on certain details of hire for requisitioned vessels which were still unsettled at the close of 1940. The present year's accounts include an amount of \$1,319,969, representing additional earnings for the previous year over and above the amount, partly estimated, which was shown in the last Annual Report. The decreased net earnings for the year are accounted for by the fact that fewer ocean vessels were in operation. Coastal steamship operations resulted in an increase in net earnings of \$387,628.

Net earnings of hotel, communication and miscellaneous properties increased by \$381,634. Every hotel reported improved earnings, and the total increase amounted to \$367,228. The increase in communication earnings was \$266,579, accounted for largely by gains in ordinary commercial telegraph transmissions and telegraph tolls on cable messages. There was a decrease of \$252,173 in earnings of miscellaneous properties.

FIXED CHARGES AND GUARANTEED INTEREST

Fixed charges decreased by \$1,152,018. The principal reductions resulted from the retirement without refunding of the Twenty Year 4½% Sinking Fund Secured Note Certificates and of substantial amounts of the Collateral Trust Bonds and Serial Secured Notes.

The amount charged to income on account of guaranteed interest on Soo Line bonds was reduced from \$805,830 in 1940 to \$749,465, as a result of the discontinuance of the practice of computing interest accruals on the bonds held by your Company. Heretofore this interest has been taken up through Other Income, so that the change in accounting has no effect on Net Income.

DIVIDENDS

Dividends amounting to \$5,042,782, being at the rate of 4% on the non-cumulative Preference Stock, were declared out of the Net Income for the year.

After careful consideration it was decided not to declare any dividend for the year 1941 on the Ordinary Capital Stock. In reaching this decision your Directors are of the opinion that greater benefit will inure to the shareholders through the further strengthening of the financial resources of your Company than from a disbursement of current income. The increase in earnings during the last two years has been due almost entirely to wartime activity and cannot be depended upon as a true indication of future results. The shareholders' equity will continue to be enhanced to the extent that capital expenditures and maturing obligations are met without recourse to new financing, and your Company will be in a better position to meet the unpredictable conditions of the post-war period, which may require extensive changes in facilities and services.

PROFIT AND LOSS ACCOUNT

The balance of income account transferred to profit and loss amounted to \$29,318,650, as compared with \$15,102,274 in 1940.

Loss on lines abandoned and on property retired and not replaced amounted to \$649,076. Three sections of branch line in the Province of Quebec were abandoned during the year, viz., Mando to Point Fortin, 6.8 miles, Kingsbury to Windsor Mills, 9.3 miles, and Eastman to Pease's Siding, 6.8 miles.

The profit and loss balance at the close of the year was higher by \$26,340,641 than at the end of 1940.

LAND ACCOUNTS

During the year 89,449 acres of agricultural lands were sold for \$569,717 at an average price of \$6.37 per acre. Included in this total were 200 acres of irrigated land, sold at an average price of \$39.94 per acre.

Cash received on land account totalled \$2,856,347, including \$498,599 for petroleum rights, coal land rents and royalties and gas royalties. Disbursements for land and irrigation expenses, including taxes, were \$1,297,419, leaving net cash receipts of \$1,558,928. This was an improvement of \$356,614 over the previous year.

Continuing the policy of rendering assistance to farmers in the Western Provinces who have suffered through adverse conditions, your Company extended to the current crop year the same rebates of interest and other concessions as were granted in 1940. The total amount of assistance to holders of farm contracts since 1932 has been \$18,130,562.

BALANCE SHEET

The General Balance Sheet is presented with its supporting schedules in its customary form. For clarity and brevity all amounts have been shown in even dollars.

The net increase in Property Investment during the year amounted to \$5,515,477.

Owing to increased insurance risk resulting from wartime conditions, it was decided to retain in the Insurance Fund the excess of premiums and investment income over losses sustained during the year. As a result, the Insurance Fund and Insurance Reserve were increased by \$740,835.

The Steamship Replacement Fund was augmented by further amount-recoverable as insurance on vessels lost through enemy action during the year and by interest earned by the fund.

The excess of Current Assets over Current Liabilities was \$57,909,425, or \$7,630,457 greater than at the end of the previous year. The increased amount of income and excess profits taxes unpaid, together with the provision for redemption of outstanding Twenty Year 4½% Secured Note Certificates, which were called on June 15, account for the increase of \$10,190,120 in Other Current Liabilities.

Miscellaneous Accounts Payable include \$980,940 which was paid to the Dominion Government on January 2, 1942. Of this amount \$110,940 was the final instalment on the 2½% loan under the Unemployment Relief and Assistance Act, 1936, and \$100,000 the current instalment and \$770,000 the entire unpaid balance of the 4% loan under the Supplementary Public Works Construction Act, 1935, which was repayable serially to 1950.

FINANCE

Serial 3% Collateral Trust Bonds to the amount of \$1,000,000 were redeemed, and 3% Collateral Trust Bonds due 1945 to the amount of \$2,000,000 and 6% Collateral Trust Bonds due 1942 to the amount of \$223,000 were purchased and cancelled. Consolidated Debenture Stock to the amount of \$3,953,200, pledged as collateral to these bonds, was released and cancelled.

During the year \$331,000 of matured but unredeemed Collateral Trust Bonds were paid. Consolidated Debenture Stock to the amount of \$397,000, pledged as collateral to these bonds, was released and cancelled.

Equipment obligations to the amount of \$3,918,202 matured and were paid, and Consolidated Debenture Stock to the amount of \$268,000 pledged under Series "D" was released and cancelled. The sum of \$2,736,292 was deposited with the Trustee of the Equipment Trust maturing July 1, 1944. Under authority of the Trust Agreement the Trustee expended \$691,117 of the amount deposited in the purchase of new rolling stock to be leased to your Company and also purchased and cancelled \$189,000 of the Equipment Trust Certificates.

Serial 4% Secured Notes to the amount of \$638,285 were redeemed on February 1, and on such redemption Consolidated Debenture Stock to the amount of \$1,631,500 was released and cancelled.

The balance of \$18,473,100 Twenty Year 4½% Sinking Fund Secured Note Certificates, maturing December 15, 1944, were called for redemption on June 15. By the end of the year \$17,209,700 of these Note Certificates had been redeemed and the amount owing with respect to the remaining \$1,263,400 is included in the balance sheet under Other Current Liabilities.

On December 1, \$2,000,000 of the 3% Serial Secured Notes, maturing December 1, 1943, were prepaid. As a result of such prepayment Consolidated Debenture Stock to the amount of \$2,000,000 was released and cancelled, and 68,000 shares of capital stock of The Consolidated Mining and Smelting Company of Canada, Limited, were released.

At the beginning of the year 1941 the sum of \$210,940 was repaid to the Dominion Government in reduction of the liability for loans made on account of unemployment relief.

The financial transactions for the year provided for the retirement without refunding of \$29,486,493 of bonds, notes and other obligations, and in a reduction of \$8,249,900 in the amount of Consolidated Debenture Stock issued as collateral.

PENSIONS

Your Company's outlay under its pension plan and the levies upon it under the United States Railroad Retirement Act aggregating \$3,562,671 were included in working expenses.

The number of employees pensioned during the year was 637. About

allowing for deductions owing to death and discontinuance from other causes, the total number on the pension payroll at the end of the year was greater by 282 than at the end of 1940.

Distribution by ages was as follows:

Under 60 years of age	252
From 60 to 64 years of age inclusive	507
From 65 to 70 years of age inclusive	2,093
Over 70 years of age	1,594
	4,446

AIR LINES

The Air Services Department organized by your Company in 1940 in co-operation with the British Ministry of Aircraft Production ceased operation on July 15. The activities of this department had expanded rapidly in conjunction with the acquisition by the British Government of military aircraft in America and were conducted on a non-profit basis. After, a special branch of the Ministry, took over the operations previously carried on by the civilian organization set up by your Company until the services were finally brought under the direction of the Royal Air Force Ferry Command.

In furtherance of the policy outlined in the proceedings of the last annual meeting with respect to acquisition of a controlling interest in various air lines, your Company acquired the entire capital stock of Arctic Airways Limited and Dominion Skyways Limited, and a majority interest in Canadian Airways Limited, Prairie Airways Limited and Wings Limited.

The operating reorganization of the lines is proceeding, and it is anticipated that as a result of the steps being taken air transportation in Northern and Western Canada will be placed on a more efficient basis. As will be seen from the map accompanying this report, these lines furnish the only practical agency of transportation to and from large portions of the Central and Western Provinces and the Yukon and Northwest Territories. Journeys which now take but a few hours formerly consumed weeks or months by the primitive means of transportation then available. Practically speaking, the existence of the communities which have been established in these areas depends upon the continuation of aeroplane service.

It is planned to extend these services as requirements demand. Such extensions, other than those directly called for in the prosecution of the war, will of course be restricted by the amount of equipment available for commercial transportation purposes, but subject to that limitation every effort will be made to provide modern and economical air service throughout those parts of the Dominion served by your affiliated companies.

The Government has recognized the necessity for the maintenance of these services, and the necessary priorities have been granted for equipment, repair parts and supplies to enable this to be done.

Your investment in these affiliated companies, including advances for the acquisition of equipment, working capital and other requirements, amounts to approximately \$3,400,000. Further steps towards the consolidation of these companies are being taken.

WARTIME ACTIVITIES

Transportation requirements during the year were unusually severe. In addition to the heavy traffic handled in regular services, there were many calls for emergency movements. These demands were intensified with the opening of hostilities in the Pacific.

Motive power and other rolling stock were utilized to a degree never before reached in the history of your Company. In the case of freight cars, the improvement was the result to a large extent of whole-hearted cooperation on the part of the shipping public. Moreover, in addition to the substantial increase in the carrying capacity of cars, the improvements in design and construction of the modern equipment provided during recent years have made possible a material reduction in the time spent for repairs.

The increased traffic resulting from war activities necessitated the extension of a number of railway facilities which were adequate for normal business. During the year 36 miles of new yard and siding track were constructed, and 71 miles of new industrial tracks were provided to serve 115 new plants and undertakings throughout the Dominion. Most of this construction pertains to war projects undertaken either by private interests or by the Government and its various agencies.

The programme of munitions production at your Company's shops has proceeded with marked success, and the many difficulties incident to the initiation of the special projects have been effectively overcome. At the close of the year the rate of production of Valentine tanks at the Angus Shops in Montreal had reached the objective of three per day. These tanks compare very favourably in cost with units of similar design produced elsewhere. A considerable number of them have been shipped to Russia, where they have rendered effective service in the field. Certain extensions and additions to the Angus Shops have been constructed for the work.

Preparatory work for the construction of naval guns and mountings at the Ogden Shops in Calgary was completed, and production was under way shortly before the close of the year. The entire locomotive shop at Ogden is being devoted to this purpose, and it has been necessary to make certain additions to facilities elsewhere to take care of heavy locomotive repair work previously done at Ogden.

Through the medium of the air lines which have been acquired by your Company, the Royal Canadian Air Force has been supplied with a large number of skilled pilots and technical help for administrative work in the British Commonwealth Air Training Plan. In addition, one elementary flying training school, six air observer schools and three plants for the overhaul of planes and engines are maintained at various points throughout the Dominion. An additional overhaul plant is now under construction.

Your Company's entire fleet of ocean steamships, together with two units of the British Columbia coastal fleet, are either in the service of the Ministry of War Transport of the United Kingdom or serving as auxiliary craft with the Royal Navy. In compliance with government policy, the usual table of steamships and gross tonnage has been omitted from this report.

The growth of the activities of the Canadian office of the Ministry of War Transport, which was organized under the direction of your Chairman and President, required the services of a full time Representative, and Mr. George D. Hubbard of the Cunard White Star Line was appointed to this post, effective October 1. For the previous two years Mr. Hubbard had been associated with the Ministry in the United States and has had wide experience in handling shipping problems. Four of your Company's officers, with some members of their staffs, remain in the service of the Ministry, and the office of the Representative is maintained at Windsor Station in Montreal.

A large number of the officers and employees of your Company continue to be engaged in various capacities with departments and agencies of the Canadian and British Governments in the prosecution of the war effort. In addition, at the close of the year, 3,758 officers and employees had enlisted in the armed forces, and 5,552 members of the steamship organization were in Admiralty or other Government service.

Enthusiastic participation of officers and employees in patriotic activities continued throughout the year. War Savings Certificates are being purchased through monthly deductions from wage and salary cheques, and at the end of the year 31,809 employees were participating in this plan. Your Company's staff has also taken an active part in the Victory Loan campaigns of the Dominion Government and has made substantial purchases of Victory Bonds.

The employees' Golden Aircraft Fund, which had been organized in the previous year, presented \$50,000 to the Royal Canadian Air Force for the purchase of two fighter planes. The presentation took place on November 26 at a ceremony held in the concourse of Windsor Station in Montreal.

During the year your Company and the Pension Trust Fund subscribed \$10,000,000 to the Canadian Victory Loan 1941.

CAPITAL EXPENDITURES

In anticipation of your confirmation, your Directors authorized capital appropriations for the year 1941 amounting to \$5,949,762 in addition to those approved at the last annual meeting. Among these was \$974,000 for the purchase of one hundred refrigerator cars to be delivered in 1942, and a supplementary appropriation of \$820,130 to permit of the purchase of fifteen Pacific type locomotives of a heavier class than contemplated by the original appropriations approved last year. There was also included an amount of \$2,137,577, representing the ledger value of rolling stock units of the Montreal and Atlantic, Esquimalt and Nanaimo and Algoma Eastern Railways, which were transferred to your Company's ownership in accordance with the general policy of consolidating the investment in rolling stock as far as possible in the parent company; this transaction involved no cash outlay on the part of your Company.

Your approval will also be requested for capital appropriations of \$13,970,890 applicable to the present year. The principal items are: Replacement and enlargement of structures in permanent form \$ 311,943 Additions and betterments to stations, freight sheds, coaling and watering facilities and engine houses 1,178,630 Ties, tie plates, rail anchors, ballasting and miscellaneous road-way betterments 1,819,769 Replacement of rail in main and branch line tracks with heavier section 772,374 Installation of automatic signals 100,613 Additions and betterments to shop machinery 454,654 Additional terminal and side track accommodation 683,627 New rolling stock 7,766,432 Additions and betterments to rolling stock 423,974 Additions and betterments to hotels 16,586 Additions and betterments to communication facilities 260,951

The appropriations for new rolling stock provide for the construction of 7 Pacific type locomotives for passenger and fast freight service, 20 Mikado type locomotives for heavy freight service, 500 40-ton steel box cars, 250 50-ton steel box cars, 150 70-ton ore cars and 30 cabooses.

CO-OPERATION WITH THE CANADIAN NATIONAL RAILWAYS

One additional co-operative project under the provisions of the Canadian National-Canadian Pacific Act was made effective during the year, viz., the abandonment of 5.09 miles of Canadian National line between Red Deer and Red Deer Junction, Alberta. Under this abandonment the Canadian National Railways use certain of the facilities of your Company, with a net economy estimated at \$2,560 per annum to be shared equally by the two railways.

The Board of Transport Commissioners issued orders during the year approving applications involving the abandonment of 38.0 miles of line and disallowing abandonment of 205.1 miles, in addition to rescinding authority issued in 1940 to abandon 37.9 miles. At the end of the year, applications remaining before the Board comprised 229.8 miles of track, including 187.1 miles operated by your Company.

STOCK HOLDINGS

The holdings of the Capital Stock of the Company at December 31 were as follows:

	ORDINARY		PREFERENCE		TOTAL
	No. of Holders	Percentage of Stock	No. of Holders	Percentage of Stock	Percentage of Stock
Canada	26,012	17.74	154	.60	12.66
United Kingdom and other British	19,316	53.15	25,798	96.37	65.96
United States	14,520	22.83	64	.33	16.16
Other Countries	3,542	6.28	584	2.70	5.22
	63,390		26,600		

CHANGES IN DIRECTORATE

It is with deep regret that your Directors report the loss by death during the year of two members of the Board, both members of the Executive Committee and resident in Montreal, the Rt. Hon. Arthur B. Purvis, P.C., in August, and Sir Herbert S. Holt, in September.

Sir Herbert Holt was the senior member of the Board of Directors and Executive Committee of the Company, having served as a Director since 1911 and as a member of the Executive Committee since 1914. His wide experience and keen insight were of inestimable value in the conduct of your Company's affairs. As a financier and industrialist he made a notable contribution to the development of Canada, and his practical support of education and medical and surgical science was a very important factor in preserving the outstanding position of Montreal in these activities.

Mr. Purvis was appointed a Director in 1938 and was chosen as a member of the Executive Committee in the following year. In his association with your Company he gave to its affairs the full benefit of his wise counsel and great executive ability. His tragic and lamentable death occurred during a visit to Great Britain in the performance of his important duties as Chairman of the British Supply Council in North America. The value of his special services on behalf of the cause of the Allies as well as the splendid contribution which he made to the industrial and economic life of Canada and the improvement of its social conditions were universally recognized.

Mr. L. J. Belnap and Mr. Morris W. Wilson were chosen to fill the vacancies on the Executive Committee.

RETIRING DIRECTORS

The undermentioned Directors will retire from office at the approaching annual meeting. They are eligible for re-election.

MR. L. J. BELNAP
HON. ERIC W. HAMBLER
RT. HON. REGINALD MCKENNA, P.C.
MR. ROSS H. MCMASTER
MR. MORRIS W. WILSON

Your Directors desire to record their appreciation of the loyal and efficient service given by the officers and employees throughout the year.

For the Directors,

E. W. BEATTY,
President.

MONTREAL, March 16, 1942

CANADIAN PACIFIC RAILWAY COMPANY

General Balance Sheet, December 31, 1941

ASSETS		LIABILITIES	
PROPERTY INVESTMENT:		CAPITAL STOCK:	
Railway, Rolling Stock, Inland Steamships, Hotel, Communication and Miscellaneous Properties	\$855,795,669	Ordinary Stock	\$335,000,000
Improvements on Leased Property	97,722,158	Preference Stock - 4% Non-cumulative	137,256,921
Ocean and Coastal Steamships	79,249,142		\$ 472,256,921
Stocks, Bonds and Other Securities of Leased, Controlled and Jointly Controlled Railway Companies and Wholly Owned Companies	194,112,303	PERPETUAL 4% CONSOLIDATED DEBT:	
	\$1,226,879,272	TURE STOCK	\$471,171,229
OTHER INVESTMENTS:		LESS: Pledged as collateral to bonds, notes and equipment obligations	175,733,000
Miscellaneous Investments - Cost	\$ 27,595,427		295,438,229
Advances to Controlled and Other Companies	27,093,673	FUNDED DEBT	\$190,659,625
Mortgages Collectible and Loans & Advances to Settlers	3,370,894	LESS: Securities and cash deposited with Trustee of 5% Equipment Trust	13,078,103
Deferred Payments on Lands and Townsites	30,605,011		177,581,522
Unsold Lands and Other Properties	22,990,193	CURRENT LIABILITIES:	
Insurance Fund	9,006,509	Pay Rolls	\$ 4,587,409
Steamship Replacement Fund	21,545,701	Audited Vouchers	9,746,148
	142,207,408	Net Traffic Balances	1,211,681
CURRENT ASSETS:		Miscellaneous Accounts Payable	4,520,423
Material and Supplies	\$ 25,125,019	Accrued Fixed Charges and Guaranteed Interest	2,335,406
Agents' and Conductors' Balances	12,143,219	Unmatured Dividend Declared	2,521,391
Miscellaneous Accounts Receivable	12,992,350	Other Current Liabilities	15,472,520
Cash	48,043,813		40,394,978
	98,304,401	DEFERRED LIABILITIES:	
UNADJUSTED DEBITS:		Dominion Government Unemployment Relief	\$ 2,447,223
Insurance Prepaid	\$ 203,866	Miscellaneous	3,463,187
Unamortized Discount on Bonds	1,949,555		5,910,410
Other Unadjusted Debits	996,405	RESERVES AND UNADJUSTED CREDITS:	
	3,149,826	Maintenance of Way Renewal Reserve	\$ 3,500,000
	\$1,470,540,907	Rolling Stock Depreciation Reserve	72,422,242
		Hotel Depreciation Reserve	8,517,877
		Steamship Depreciation Reserve	55,749,033
		Investment Reserves	17,542,428
		Insurance Reserve	9,006,509
		Contingent Reserves	5,184,870
		Unadjusted Credits	3,619,263
			175,542,222
		PREMIUM ON CAPITAL AND DEBENTURE STOCK	68,551,646
		LAND SURPLUS	64,479,043
		PROFIT AND LOSS BALANCE	170,385,936
			\$1,470,540,907

F. A. LESLIE,
Comptroller

NOTE - Particulars of securities held for account of the Company, of obligations of the Company in respect of the principal of securities of other companies owning railway lines operated under lease, and of contingent liabilities of the Company are set out in the accompanying schedules.

TO THE SHAREHOLDERS,

CANADIAN PACIFIC RAILWAY COMPANY.
We have examined the Books and Records of the Canadian Pacific Railway Company for the year ending December 31, 1941, and having compared the above Balance Sheet and related schedules therewith, we certify that in our opinion it is properly drawn up so as to show the true financial position of the Company at that date, and that the Income and Profit & Loss Accounts correctly set forth the result of the year's operations.

The records of the securities owned by the Company at December 31, 1941 have been verified by an examination of those securities in the custody of its Treasurer and by certificates received from such depositories as are holding securities for safe custody for the Company.

Montreal, March 9, 1942.

PRICE, WATERHOUSE & CO.,
Chartered Accountants.

THIS war-weary world has recently been treated to the edifying spectacle of a young man of military age, independently wealthy, not engaged in anything which even the most enthusiastic could call an essential industry, toiling on the Florida sands and refusing to budge until his salary for the coming summer was boosted from one astronomical figure to another just slightly more so.

The young man was a baseball player, a very good baseball player indeed. Others not quite so good achieved almost equal notoriety in the public print by holding out for salaries not quite so high.

Some of the holdouts, and some of the salaries, existed only in the minds of the publicity men who conceived



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WORLD OF SPORT

Shall I Sign the Contract, Daddy?

BY KIMBALL McILROY

them, but there is a solid basis in fact behind the whole business.

It is not the intention of this column to discuss the question of what justification a young man in the circumstances above mentioned has for sitting on his fanny in times like these, whining for a few thousand dollars' raise. We are not even going to interest ourselves with the question of whether such a young man should be playing baseball at all. We are going to discuss that salary.

Every year a large number of kids graduate from public and high schools and colleges with little or no scholastic or commercial ability but with plenty of aptitude for any one or more of a dozen sports. While other less fortunate lads are beating a path to employers' doors they are fretting themselves over the very serious problem of which sport to take up professionally.

For some the problem has already been solved. Their names have been for a year or more signed to contracts offered by the professional clubs which either sent them to school or had a working agreement with the amateur club for which they last played. They have no choice in the matter. Signing a contract in professional sport differs only in degree from sale into slavery, except that in most cases the slave had a little more freedom of action.

FOR those whose future is not thus already mapped out, a very serious question presents itself: that of a career. Which pays the most? Which offers the longest active life? Which is conducted in the most congenial surroundings?

That salary of diMaggio's looks pretty good to the average kid. In fact it looks pretty good to a lot of people. A fellow could do worse than take up baseball.

The Yankees, however, are a major league club. There are exactly sixteen such clubs. There are countless minor league clubs and unless the rookie is fully as good as he thinks he is it is with one of these that he will start, and in all probability finish, his baseball career. In the best of the minor leagues the salary limit may run to perhaps one-quarter of diMaggio's mite. Run-of-the-mill players receive possibly one third to one half of the limit.

On a Class D team the salaries are likely to average around sixty-five dollars a month. The teams travel by bus and don't exactly stay at the best hotels. The players have to buy their own gloves and shoes (as they do on any team). What's left at the end of each month can be put in the bank. Or borrowed from the nearest loan shark.

FOR a lad who's handy with his fists boxing presents many attractive possibilities. Hasn't Joe Louis made a million and some odd in his comparatively brief career? And not a scratch on him. Dempsey and Tunney lured a lot more than a million through the turnstiles on two different occasions. Furthermore a boxer only has to work maybe three or four times a year. It looks like a pretty good life.

It isn't, not even if you're one of the hundred-to-one shots who get somewhere near the top. There's no use in even discussing the ones who don't get there. For them life consists of a weary grind of hard work in cheap gyms, hard fights once a week or oftener, if they're lucky, and declining years as the proprietor of some dingy bar, if they're again lucky enough to avoid ending up, as the boys say, walking on their heels.

How about the ones who do get to the top? They earn a lot of money, as everyone knows, some of it for themselves. Their managers get a juicy cut, likewise trainers and seconds. The gym costs money, as do other training expenses. Doctors don't donate their services free and a good doctor is essential for a fighter, whether he seems to get hurt in the ring or not. The fighter who gets to the top is not only rare, he's

fortunate. He will probably end up running a third-rate, or even in exceptional cases, a second-rate bar.

WRESTLING is a much better racket, but for some reason young athletes just starting out rarely consider it for their life's work. Wrestlers seem for the most part to simply drift into the game. They're ex-football players, ex-boxers, or just guys who happened to have beards or a lot of hair on their chests. Wrestlers see a lot of the world, work and eat regularly, and don't have the nervous strain of wondering if they're going to win or lose.

Wrestlers, however, rate very low socially. Furthermore, a boy who hasn't already got a wife is never going to get one if he takes up the game. A cauliflower ear, an expanded neck, and a broken nose are the initiation fees.

In the gentler sports, the prospects are brighter. Professional tennis players of the touring, one-night-stand, five-dollars-to-get-in type are so rare as not to merit consideration. You have to hit the top as an amateur before anyone will consider you. Tennis pros at the various clubs, though, make good money of a sort and live nice lives. So do comparable golf pros. But there is little color in such a career. The average kid likes to dream about the roar of the crowd.

He can get it as a tournament golfer, but for this he needs a lot more than the mere ability to shoot good golf. Tournament golfers are born, not made. Their nerves have to be able to take a beating comparable to that which an army's system of communications takes. The pressure is terrific, but if you can stand up to do it, it's your spot.

FOR the young Canadian, professional hockey is the best of the lot. As sports go it pays pretty well. The games are spaced out and there isn't the daily tension of baseball. Minor injuries are frequent but serious ones are very rare.

It is an interesting phenomenon, too, that professional hockey players have a social standing far higher than exponents of any other sport. People like to be seen with them. The word "professional" seems to carry no stigma as far as they are concerned. This is an important point, because it carries weight in the days when a player's active career is behind him.

Check up on the old hockey players. Most of them are doing pretty well. In the towns from whence they came they are generally substantial citizens. It's a point worthy of a lot of consideration.

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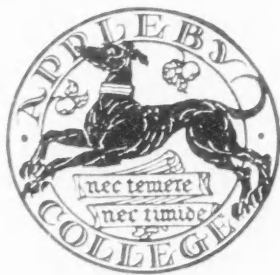
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To Chinese troops, "all is grist to the mill" when it's a matter of procuring equipment. Above is but a fraction of vast quantities of Jap war material taken by the Chinese at Changsha early this year. Much of their Burma success has been had with such "borrowed" arms.

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IN OUR day we suppose we've drunk enough tea to re-float the Lafayette—so, probably, have you—and doing it without a thought in our heedless curly head of the part the official tea taster takes in guarding us against inferior brews. Tut, tut, for you. Tut, tut, tut, for me.

Knowing something about official tea tasters may not sharpen your appreciation of the beverage, or even add much to one's stock of small talk. However, it can be filed away under the convenient heading of General Knowledge—a General it's useful to have around in times when quiz programs are as prevalent as the measles.

So Polly put the kettle on, bring out the best Spode cups, hide the sugar from the guests, and we'll all have tea while we go into the subject of tea-tasters.

The expert taster appraises by sight, feel, smell and taste, in that order. In many cases he has only to look at the leaves to learn what he wants to know. But the ultimate test is the spraying of brewed tea on the palate, which he accomplishes by what is politely described as "a sharp, loud inhalation." In other

WORLD OF WOMEN

They Drink For A Living

BY BERNICE COFFEY

words—let's be vulgarly frank about it—he slurps.

The tasters work with their special equipment. They sit around a revolving table on which are placed tea samples in tin boxes, special small pots, thin cups without handles (handles would cause shadows), scales, spoons and boiling water. Like artists, they work in a north light so the sun will not distort their judgment.

An expert can distinguish between 1,500 to 1,600 different samples of tea. In the case of a particular sample, he can tell what kind it is, where it was grown, at what season it was picked, how it was processed, how it will act in a blend, and its worth.

The nearest approach to an official tea-taster in Canada is the position held by C. J. Browne, who is the taster for the Department of National Revenue in Ottawa. Mr. Browne samples the tea—presumably with a sharp, loud inhalation—in the Department's laboratories on Queen Street. Currently his most important task is passing approval on the hundreds of tons of tea bought annually for the fighting services. He also tastes all tea purchased by the Government—for jails, hospitals, pension homes, etc.

Nearly all tea-tasters are men. Perhaps this is so because the girls can't bring themselves to "slurp."

Sole exception to this rule, we are told, is Margaret Irving, who has the distinction of being the only woman tea-taster and wholesale buyer in the British Isles. She entered her present London firm's employment as a junior girl clerk at a salary of \$7.50 a week. When she was promoted from the accountants' department to the sales room she began out of curiosity to taste the teas after the tasters had finished with them. Impressed by her interest in tasting, the chief one day asked her what she thought of the various samples. She picked the best tea, on a day when for once even the tasters had made the wrong choice—and so began her career as a taster. Later her



Military Policewomen of the A.T.S. recently commenced their duties in London after having completed special training. Here they correct an uncomfortable offender. They wear red topped caps, navy blue armlets.

eye for a good tea proved so quick and sure that she was promoted to buy as well as taste for the firm. She may not even yet have reached the peak of her career, so they say, for tea-tasting experts have been known to earn as much as \$12,500 a year—a nice round sum for what roguish elderly gentlemen like to call pin money.

At the Front Line

"Girl From Leningrad," a Russian film, reveals a curiously vivid picture of the part played by women medical volunteers on the Russian front. The "scorched earth policy," of course, means that few buildings are left standing in which to shelter the wounded in a country of incredible cold. Many hospitals are set up in cellars, but most ingenious of all are large double walled tents heated by large stoves. Canadian prospectors and explorers, as wise in ways of combatting cold as the Russians, know that such tents can be as com-

fortable and warm as most houses.

As for the girl volunteers, they sleep and eat wherever they can find a primitive shelter—perhaps in a stable. For winter duty outdoors they wear quilted jackets and quilted trousers tucked into knee-high felt boots, or long leather coats lined with sheepskin. Their cloth helmets have the same characteristic pointed top as those worn by the soldiers and, like them, inside the caps they wear a knitted head-covering which can be pushed up to protect the lower part of the face from frostbite. The girls follow the course of battle in trucks and then, if necessary, take to skis. Not only do they treat the wounded on the field, but they do not hesitate to use machine guns or other small arms if it becomes necessary for them to protect their patients or themselves from enemy action.

Spring Booty

Over at the Seven Seas Shop they haven't any patience with people who think they must wait for their gardens to bloom to get material for

their vases. The S.S.S. people believe that the ingredients of many lovely arrangements are to be gathered along the highways and byways right now. What is more, they prove it by showing a small branch of dogwood with red branches from which stem delicate green leaves and a branch of chestnut swelling with little green buds—both springing gracefully from a base of red-veined begonia leaves. In a copper bowl washed with pewter. Then there's an old English bowl of plain glass with an arrangement that might serve as a still-life entitled "Canadian Spring." Here slender branches of pussy willow, chestnut and birch, stem from a slightly off centre base of green pine needles. Humorous touch is the little English china elf almost concealed by the pine.

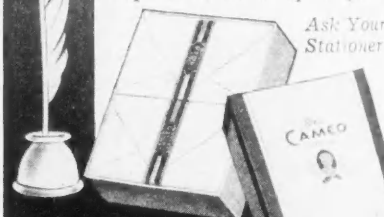


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WORLD OF WOMEN

The Scientist Reads Your Palm

BY DORA CONOVER

YES, there is something written on the palm of your hand! Writing so thrillingly interesting that it has opened up a whole new field of scientific research. But it isn't the record of your character and it definitely isn't the Tale of your Future Life.

Not that scientists wouldn't be interested if they found they could read your life and character on your palms. They'd be excited! If they could have found one tiny element of truth in the whole field of Palmistry as it is practised, they'd be in there studying like mad. In fact that is what they are doing with palms right now, studying them seriously—but not along the Life and Love Lines. Science has found palmistry a most disappointing quagmire of false assumptions and silly fancies stated in a dangerously positive way. None of it has yet been or can be proved true in the light of scientific research. But don't be disappointed—there is still plenty on your palm!

Did you know that the little ridges there were formed just as they are now, several months before you were born? And that they will not change even if you live to be a hundred and fifty? This has no reference to the so-called Heart and Head Lines or any of those other lines which are caused by the way you fold and hold your hands. No, these are the little ridges which form a pattern under the lines and which you will need a very good light and possibly a magnifying glass, to follow clearly. They run parallel like numbers of infinitesimal railway tracks in a station yard. Every so often there are the finest of little round holes. These are the pore openings and, with a touch of sweat glistening in them, they look exactly like tiny port holes in a ship. These openings also remain constant through life. The same kind of ridges pattern your finger and thumb tips, also the soles of your feet and the tips of your toes.

Loops and Whorls

You'll be able to see for yourself that on the mounds under each finger, three sets of lines come together running off on their margin into a longer line which runs across or down the palm. Various loops and distinctive whorls and patterns are also formed. It is some of these, together with those longer lines, that the experts chart and set down in a detailed and comprehensive description consisting of a single line of numbers, letters and symbols.

Now the great thing is that, not only do these ridge patterns remain constant through life, but they are different with each individual. No one else in the whole world has the same pattern as you—not even your twin sister, if you have one. Think what this means! A simple print of your palms and finger-tips, classified by an expert and properly filed would constitute a positive proof of your identity.



The Duchess of Kent was a recent visitor to British Columbia House in London, where she inspected the B.C. Services Canteen. She is seen here examining packages of cigarettes ready for shipment to the forces.

Of course you don't expect to wander away in amnesia or be the victim of a crime or an accident which might make your identity difficult to ascertain but such things do happen to hundreds of people. If universal palm-printing were adopted, as experts believe it could, should and eventually will be, there need be no more "unmarked graves." So long as a clear bit of the individual's palm could be studied, the identity could be established beyond the shadow of a doubt.

Naturally this added ease of identification would not be particularly pleasant for those engaged in or even contemplating a life of crime. But if your heart is pure of such intentions and your record clear, palm printing could prove nothing but a source of convenience to you.

The pattern of the iris of the eye and the shape of the ears are also fairly constant through life but it is much more difficult to take useful impressions of them which can be classified and filed as satisfactorily as palm prints.

For palm prints can be so easily taken. There is a new method now by which it is not even necessary to soil the fingers with ink. A colorless chemical is rubbed lightly over the surface to be printed and then it is pressed against a special paper with a treated surface. The result is a beautifully clear black and white print with no further fixing or work required. It is called the Faurot Method.

The method is so simple that there is no difficulty in securing the print of an unconscious or even a dead person. Even new born babies' palm prints can be taken with no inconvenience to the baby. Some hospitals are already taking prints of the tiny

hands at birth and adding the mother's finger prints above. This eliminates all possibility of "mixed up" babies.

Infants' Hands

Study of babies' hand prints has revealed that any arrest or change in the development of the baby before birth, is written in the ridges of its palms. This may lead to a whole new world of discoveries relating to pre-natal care.

Take the case of certain handicapped children in the imbecile group. Here the tragic future is foretold in the hollow of the small palm. The lines state clearly that the little organism developed for a time as usual and then—something happened! If no readjustment takes place before birth, its further life as a normal human being is completely blighted. This unhappy affliction is found as often in "good" families as in "poor" ones. Now we have this hope that the "something" which brings about the disturbance may be discovered through the study of pre-natal conditions.

It is interesting to note that the palm prints of various races are distinguishable by group characteristics which make them comparatively easy to identify.

Twin Palms

The study of finger prints in connection with two or more individuals who have developed from a single cell, as is the case with identical twins and other identical multiples, leads to numerous findings of interest to science. "Identical" multiples are those which have developed by the splitting of a single cell after a short period of development while "fraternal" multiples are those twins, triplets or quadruplets who have, by an unusual set of circumstances, been born at the same time but are the products of as different cells as any brother or sister born years apart. The famous Dionnes are a case of identical multiples and the findings from their palm prints would fill a small volume.

One finding is that similarity in palm prints is inherited. Another is that in some identical twins the right hand of one and the left hand of the other are more alike than the two hands of either. This rather plays ducks and drakes with one of the very first premises of Palmistry, that "your left hand is what you were born and your right hand is what you make yourself."

However, as we said at the beginning, why worry if Palmistry per se is merely the bunk. After all, you have better things on your palm—lines that cannot lie.



Elizabeth Arden

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THE LONDON LETTER

It's Better to be Tough than Clean

BY P. O'D.

LITTLE boys in this country are rejoicing—dirty little boys, that is. Soap has at last been rationed. We are all cut down to one coupon's worth per week, and one coupon will entitle each of us to four ounces of household soap or three ounces of toilet soap. Not an awful lot for a whole week—or is it?

Dirty little boys consider that it is far too much. A quite dreadful amount of scrubbing behind the ears can be done with three ounces of toilet soap, and even more with four ounces of the sort of stuff that is supposed to be used in the wash-tub.

Roughly the cut is said to represent a saving of about one-fifth of the general consumption. The surprising thing is, not that it should be made now, but that it wasn't made long ago. Fats and glycerine are the chief constituents of soap, and fats and glycerine are largely used in the manufacture of explosives. Since it has come to a choice between them, explosives are obviously the more important. In this dangerous world we live in now, it is better to be tough than clean.

At the same time, there are a number of inevitable difficulties in carrying out a scheme of this sort. Some people are a good deal dirtier than others, and cannot help it. They work at dirty trades mining, for instance, or on railways, or in ship-building yards and garages and machine shops.

Furthermore, some people do their laundry work at home, while others send their clothes out to be laundered. How are these inequalities to be compensated for? And how about the mothers with very small children, who are always having to wash dozens of extremely intimate garments?

No doubt most of these various difficulties and injustices will be smoothed out in time, as in the case of other rationing schemes. What hardships remain must be borne as cheerfully as we can—if lack of soap is really a hardship. (I seem to hear a chorus of shrill little voices shouting "No!")

People have become quite unashamed of the patches of their old clothes. Perhaps we shall soon be making a patriotic display of our rather dirty hands and faces. There are all sorts of ways of winning a war.

Trouble for B.B.C.

Running any sort of broadcasting system is a worrying sort of job, with almost every listener under the impression that he can do it much better than the partially trained ape who, for reasons known only to Divine Providence, has been given the task. But running a government-controlled system like the B.B.C. must be the very devil.

Then every voter regards himself as a part owner—which in strict fact I suppose he is—and every Member of Parliament is in his own eyes an unofficial governor, with full right to get up on his hind legs, when he can't think of anything else to say in the House, and denounce and deplore and deride the way things are done at Broadcasting House. Also he can generally be sure of a friendly hearing both in Parliament and out. The B.B.C. is fair game.

Last week a Socialist M.P. asked his fellow-Members and especially the Minister of Information if they were aware that "resident" members of the "Brains Trust"—a popular feature on the lines of "Information, Please"—were paid Twenty Guinea a time. Mr. Morrison, for that was his name, said he was shocked, and he apparently expected everyone else to be shocked, too.

Millions of people, he pointed out, were working hard for £5 a week, and here were these "wise guys" getting what was practically a month's salary for answering a few questions! Which led the Minister of Information to suggest that it only

showed how wise they were. But Mr. Morrison remained shocked.

The "residents" of the "Brains Trust" are at present Prof. Joad, the philosopher and scientist, who seems to have taken most of knowledge as his province, and Commander Campbell, Equerry to the King and former Private Secretary, and master of all sorts of odd and interesting information.

These are at present the only regulars, the third "resident" being at present in America, Prof. Julian Huxley, one of the best known of modern scientific writers and lecturers. At each session of the "Brains Trust" there are, in addition, two or three distinguished "guests," who also get their Twenty Guinea—or perhaps more, since it is not a salary but a special fee.

Twenty Guinea look like a lot of money to most of us these days, but surely no one can say that it is an extravagant sum to pay people like Joad and Huxley and Campbell for their weekly contributions to the "Brains Trust"—especially as this involves answering not only the questions they are asked, but also the hundreds of letters that are sent to them every week.

Their opposite numbers on the similar American feature, "Information, Please," are said to get ten times as much. I wonder what Mr. Morrison would say to that—if the B.B.C. paid it. He would probably call for the tumbrils and the guillotine.

Monkeys in the R.N.

Naval fellows are great people for collecting things—animals mostly. I met one the other day, the commander of a destroyer, who had just come back from a long spell of duty somewhere off the west coast of Africa. He had brought two monkeys back with him, thereby seriously diminishing his wife's delight at his return. Jolly little devils, but monkeys are monkeys.

I asked him if they had behaved well on the ship. He assured me that they had been great fun. Everybody loved them, it seems—except the second in command, who had a parrot. The parrot had previously been the boss of the ship, but the first thing the monkeys did when they came aboard was to chase it all over the place, wring its neck, and throw it into the sea. Even right down there in the tropics this Nordic behavior produced a distinct chill in the atmosphere.

Butterflies are better, and apparently naval men collect them, too—pinned to cards in little glass cases. There was a sale of such things in Oxford Street last week, and a surprising number of naval officers were among the bidders. You may think this a cheap sort of hobby, but it isn't. As much as £20 was paid for single specimens from the collection—a rather famous one, it seems, belonging to a Dr. Hope.

The naval men were interested only in the rarer and more valuable specimens. Not quite the way you expect a sailor with a bit of shore leave to spend his money, but I suppose any kind of collecting has its thrills. Butterflies may not be so exciting as monkeys, but they are certainly much less trouble.

Pity the Golfers!

This is the time of year when usually the hearts of golfers begin to swell with fresh hopes—like the buds on the hardier shrubs. The ground may still be frozen, little drifts of snow may still linger in the deep bunkers, the icy wind from the east may still cut viciously through leather jerkins and redden the nose and numb the fingers. But the days are brighter, the sun, when we get it, is definitely stronger, and already the little red and white flags are fluttering their familiar invitation—

even if somewhat forlornly amid the shellholes and the cordons of barbed wire.

But this year not even the coming of spring can banish the gloom from the British golfer's heart. The dread order has gone forth that there are to be no more golf-balls—no new ones, that is. Nothing but the survivors from last year's campaigns, most of them bearing scars of battle. Here and there, no doubt, canny men have laid in little supplies for future emergencies. But these reserves must be small. Golf-balls are not things that you lay down in bins like port. They don't improve with age.

Books Are Scarcer

One of the minor afflictions of the war is the comparative disappearance of books—and not so minor for people who find in reading their chief solace in the long evenings of the black-out. When you go now to your favorite book-shop, you learn that most of the books you want, even familiar and popular books, are not to be had, and no immediate prospect of getting them.

The bookseller may make some vague suggestion about ordering them, but you both know it is hardly more than a polite gesture. The books just don't exist—probably part of the 5,000,000 volumes the Nazis destroyed in their great air-raid on the City of London a year ago.

It is true that new books are being brought out, as the review columns of the Press make clear, but far fewer books and in far more limited editions. Publishers and even authors must live, I suppose, and so books go on being written and printed. But with a paper ration cut down to one-third of what it used to be before the War, the problem of making the best and most of it is a horribly difficult one.

One way of making the paper supply go farther is to produce thinner books. This is the method that the Publishers' Association has recently decided to adopt. There is a lot to be said for it, so long as the paper is not so thin that the type shows through the page and thus makes reading difficult.



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THE DRESSING TABLE

Strange Communiques From The Home Front

AH, SPRING! — when trees come into tender bud; when the first flowers shyly lift their heads out of their winter quarters; and fat robins looking like chesty politicians in well-tailored weskits cock an ear toward

BY ISABEL MORGAN

the ground for unwary worms; when the springs of creativeness overflow in the hearts of poets. Spring—when moths wearing expressions of smug

well-being nonchalantly flit out of the closet where one's prized angora sweater was stored during the winter months. Aw, Spring!

Now that everyone is taking to heart the fact that we must conserve what we have, the former days of appeasement or half-hearted efforts toward extermination of moths have passed into limbo. One is not inclined to give any quarter toward an enemy that menaces all-wool blankets, English sweaters, or fur coats, and other articles that may be difficult to replace.

It is even possible that war communiques may be issued from this newly opened front.

Monday—"An attack was opened by light forces in the west guest room closet which was countered by stubborn resistance by means of moth balls. Competent observers believe this may be a feeling out operation presaging a major attack."

Tuesday—"Heavy concentrations of the enemy's troops have been observed in the vicinity of the chesterfield and in adjacent upholstery. Advice from usually reliable sources indicates that the enemy is preparing for an all-out attack along the entire front."

Wednesday—"Massed assaults began all along the front early this morning. Hundreds of parachute troops were observed. Fifth columnists were active, and sappers did considerable damage to furniture interiors."

Thursday—"The enemy has gained command of the air, but the defense is moving up many reinforcements and a counter-offensive is expected at an early date."

Friday—"Our side opened today's operations with overwhelming concentrations of fire from Flit guns,

The suit-dress has fashion's "thumb's up" signal. Here it is with a slim, graceful pleated skirt in pre-tested paisley rayon crepe approved for Courtaulds "Quality-Control".

and the enemy's stronghold in the chesterfield was mined with many moth balls. The enemy shows signs of rapid weakening."

Saturday—"The enemy is in full retreat on all sectors and the situation is well in hand. Mopping-up operations will continue over the week-end."

If we gain nothing more from this necessity to conserve and pamper the things we have and must expect to use for some time to come, than an education in the arts of thrift and prudence, the lesson will have been worthwhile. The ability to sew a fine seam and to mend or darn so skillfully that the repair could not be detected was never fostered in our generation. When something was ripped or torn, it was thrown or given away, and something new replaced it.

Now we must learn all the little tricks that keep clothes neat and well cared for long past their usual life. Here are some.

When you take off your dress, put it on a hanger but don't put it away until it has been carefully inspected for tiny rips in the seams, loosened

THREE MESSENGERS

At CHRISTMAS tide an angel tells

The story of a birth,
And easy is it to rejoice
That Love is here on earth.

In Holy Week an angel comes
Quietly, in the gloom,
To strengthen him who learns that
Love

Must face the cross and tomb.

At Easter-tide an angel stands,
"The Lord is risen," he saith.
When will the world of men believe
That Love shall conquer death?

Halifax, N.S. LOUISA BURCHELL.



The Queen visits India House in London, to inspect parcels of comforts being packed by sari-clad women for dispatch to Indian war prisoners.

trimming, or small spots. If you haven't time to do this immediately, don't put the dress away until any necessary small repairs have been made, or spots removed carefully with cleaning fluid or water.

Read any labels that may come attached to a new dress. They probably will be full of good advice concerning the special care or methods of cleaning required for the fabric of which it is made. The manufacturer thinks this is important. So should we.

If your fur coat is due for cleaning or needs small repairs, have them done before the coat is retired to storage for the summer.

Give your shoes the most tender care. Frequent polishing and cleaning will lengthen their life. And if you have been so improvident as to send them out of your life as soon as the soles began to get tired of it all, even though the uppers were still in their prime, you are due for

a pleasant surprise after a visit to one of the many shoe clinics from whence old shoes come forth looking like new.

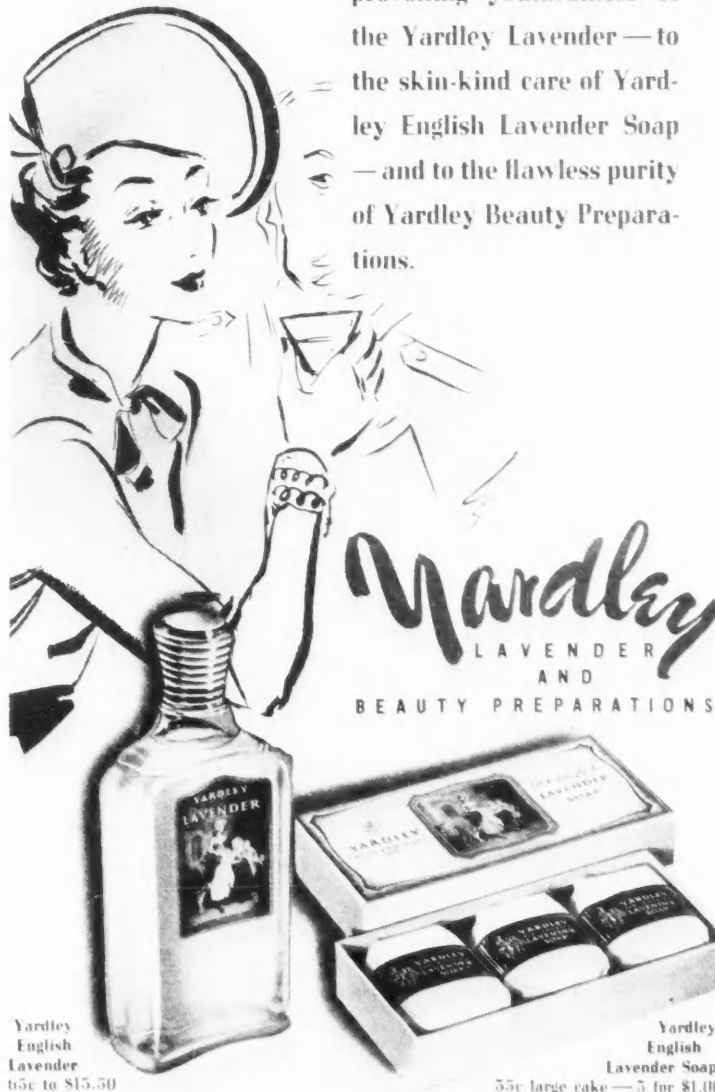
If a sudden shower leaves its marks all over your most becoming felt hat, stuff the crown of the thing with paper, put it on a hat-stand and let it dry. Then rub it over very lightly (following the way the nap goes) with fine sandpaper, and you'll find that the water-spots have disappeared.

And of course, there are all the usual instructions to bear in mind concerning stockings. Heaven knows they've been repeated often enough, but stockings are such precious things it can't be told too often that they must be washed in mild soap suds immediately after they have been worn is the best time—rinsed out several times till there isn't a trace of soap left in them, and then left to dry at their leisure laid out flat on a towel.

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MUSICAL EVENTS

MacMillan Interprets Gershwin

BY HECTOR CHARLESWORTH

ONE of the exceptional incidents of the season of the Toronto Symphony Orchestra was the presentation last week of the late George Gershwin's "Rhapsody in Blue," which for eighteen years has been the best known example of "modern American music." Paul Whiteman, who introduced it to the world at Carnegie Hall, New York, in February 1924, has long since given up his campaign for a new school of composition bearing that name, and has reverted to his calling of a highly competent and colorful dance conductor. Gershwin under the encouragement of elder statesmen in the field of music went onward to more serious endeavors, symphonic and operatic. But he never afterward composed anything so characteristic and vital as "Rhapsody in Blue." It remains almost the sole permanent monument of Whiteman's campaign for a school of music based on jazz, interpreted by what he termed "modern Orchestra."

A Better Rhapsody

The truth is that Gershwin's "Rhapsody" sounds immeasurably better when interpreted symphonically as it was by Sir Ernest MacMillan than it ever did under Whiteman. While the original stunts for wind instruments were retained, including the stirring glissando for clarinet, the addition of a body of strings of real symphonic dimensions made all the difference in the world. Moreover the interpretation of the haunting melodies had a refinement in nuancing that brought out fresh values. Gershwin, who himself had at one time pianistic ambitions, naturally regarded the piano part as of prime importance, and this was played with compelling spirit and fluency by the brilliant two-piano team Gordon Hallett and Clifford Poole. One discerned in this rendering something of the composer's purpose. He has left it on record that he thought out the structure of the Rhapsody while on a train journey from New York to Boston. He pondered on it to a steady accom-

paniment of the hum of car wheels, "I frequently hear music in the very heart of noise," he said, "and there suddenly I heard—and even saw on paper—the complete construction of the Rhapsody from beginning to end. . . I heard it as a vast sort of musical kaleidoscope of America—of our vast melting-pot, of our unduplicated national pep, of our blues, our metropolitan madness. By the time I reached Boston I had a definite 'plot' of the piece, as distinguished from its actual substance."

When Whiteman gave the first performance of the "Rhapsody" in Toronto a few months after its birth in 1924, Ferdie Grofé who had made the original orchestral arrangement for Gershwin, and has since become recognized as a gifted composer himself, led the other players in the piano part. Intimate as was his knowledge of the score he had helped to bring into being, the general effect was not nearly so distinguished and moving as it was last week. The T.S.O.'s interpretation was indeed so vital that it sent an immense audience of young students mad with delight.

Earlier, Hallett and Poole had revealed their fine musicianship in Bach's Concerto for two pianos and string orchestra, a delightful episode. In a stimulating program that included works like Elgar's "Enigma Variations," Debussy's "Nocturnes," and Sibelius' unforgettable "Swan of Tuonela" it was good to note how well Godfrey Ridout's "Ballade" for viola and orchestra held its own in august company. It is a work of rare poetic inspiration developed with a maturity of resource surprising in so young a composer, and the solo part was beautifully rendered by Cecil Figelski.

Beecham at Montreal

The prospectus is to hand for the seventh Montreal Festival, hitherto held annually in June, but now brought forward to April. Since their foundation in 1936 by the French-Canadian conductor, Wilfrid Pelletier of the Metropolitan Opera House, and Madame Athanasie David,

these events have assumed national importance. This year, as last, the conductor will be Sir Thomas Beecham. The participating bodies will be Disciples de Massenet (Charles Goulet conductor), Elgar Choir (Berkeley Chadwick conductor), and the Festivals Orchestra, really that of Concerts Symphoniques de Montreal. The soloists engaged are Norman Gordon, bass; Rose Dirman, soprano; Raoul Jobin, tenor; Kenneth Neate, tenor; Robert Nicholson, baritone; Ludmilla Piteff, narrator; and Betty Humby, pianist.

The first two events will take place at the picturesque College Chapel, Saint Laurent, original home of the Festivals. There on April 14, Brahms' "Requiem" will be sung followed on April 17 by Dvorak's "Stabat Mater." On Sunday, April 26, Sir Thomas will conduct an orchestral concert at His Majesty's Theatre in the course of which Betty Humby will play the solo part in Mozart's Concerto No. 24 in C minor, Prokofieff's "Peter and the Wolf" will also be a feature with Mlle. Piteff as narrator.

The final event will take place at St. Denis Theatre on April 28, when

Sir Thomas will conduct Gounod's "Romeo and Juliet" with Raoul Jobin and Rose Dirman in the title roles and Norman Gordon as Friar Laurence. The production will be under the direction of Dr. Herbert Graf of the Metropolitan Opera House. For the ballet the choreography is under the direction of George Erskine-Jones and a large chorus of Montreal voices will be trained by Germaine Moineau. In the past, opera has figured in the Festivals only occasionally, but the success of the production of Debussy's "Pelléas and Mélisande" under Wilfrid Pelletier in 1940 warrants the revival of Gounod's opera, always a favorite with Montreal audiences.

Famous Men at Proms

The Promenade Symphony Concerts at Varsity Arena will be continued on an even more ambitious scale than in the past with a galaxy of famous conductors and soloists. Apparently the system of placing the season in control of a single conductor, which worked so admirably in the formative years when Reginald Stewart was building up the Proms into a permanent institution, has been abandoned. Mr. Stewart left behind him an organization so firmly based that the guest conductor system may now be safely adopted. The most interesting announcement is that the eminent British conductor, Albert Coates, Russian on his mother's side, has been engaged for four concerts in all. Mr. Coates, who has been in California for the past two or three seasons, has long been

an international figure of the first rank. He will conduct the first two June concerts and will return again toward the end of the season. The Proms will begin on Thursday, May 7, with Dr. Hans Kindler of the National Symphony Orchestra, Washington, on the podium. He will also conduct the following concert, after which the baton will be taken over for two concerts by André Kostelanetz, who made so fine an impression in a War Loan broadcast at Massey Hall early last summer. The month of June will be divided between Albert Coates and Victor Kolar, conductor of the Detroit Symphony Orchestra. During the first two weeks of July the conductor will be the brilliant Edwin McArthur, who made so fine an impression in several appearances last season. For the last two weeks of July the conductor will be Ettore Mazzoleni, who made a decisive hit as guest conductor with the Toronto Symphony Orchestra last winter, and is a great favorite in Montreal as well. Announcements as to the latter half of the season will be made later. Among the celebrated soloists engaged are Lucille Manners, Eleanor Steber, Josephine Antoinette and Enya Gonzalez, sopranos; Jan Peerce, tenor; Ossy Renardy, violinist; Joseph Schuster, cellist; Sigurd Rascher, saxophonist; Lubka Kolesa and Dorothy Wilkes, pianists, and Carola Goya, Spanish dancer.

Master of Musicke

News comes from London that the post of "Master of the King's Musicke" rendered vacant by the death of Dr. Walford Davies (who in turn was preceded by Elgar) has been bestowed on Dr. Arnold Edward Trevor Bax. The office was created upwards of 250 years ago by King Charles II, and denoted the conductor of the monarch's private band. The duties were then considerable, but in course of time have become largely honorary. Among the early incumbents was Purcell. Despite the lightness of the duties involved (and of the stipend) the post is one of high honor. Bax was born in 1883 and is a graduate of the Royal Academy of Music. He has been an indefatigable composer in various forms, and his main inspiration has come from Celtic folklore. His music is original, with a pervading quality of lyric beauty, though at times austere. In 1910 he travelled in Russia and composed a musical record of his journey. Before the rise of Nazism his compositions were favored in Austria and Czechoslovakia.

RECORD REVIEW

The Three B's Again

BY JOHN WATSON

ONE of Mr. Stokowsky's happiest transcriptions is given its maiden recording by as sprightly a group of youngsters as ever twanged a bow! These youthful artists reveal not only intelligent and mature musicianship, but a refreshing enthusiasm of the sort that is noticeably lacking in many a more sophisticated orchestra. The recording is no more than satisfactory. Unlike most Columbia sets, the breaks between the records are extraordinarily ill-timed. Perhaps this is unavoidable owing to the unbroken continuity of Bach's melodic line, but it is shocking.

BACH - STOKOWSKY - Passacaglia and Fugue in C Minor

Leopold Stokowsky and the All American Orchestra; Columbia J78 4 sides

QUARTETS are like spinach. Either you enjoy them or you don't. . . and that's an end of it. Anyone whose tastes run to Chamber Music should lose no time in getting his hands on this magnificent Columbia set. The F sharp Major Quartet is a mature utterance, sometimes passionately lyrical, sometimes almost savage in its phrasing. The Budapest Quartet, as everyone knows, are as good as anyone in the business, and their sensitive playing should satisfy the most exacting listener. As for the recording itself, it's one of the most remarkable we've ever listened to.

BEETHOVEN - Quartet No. 16 in F Major

Budapest String Quartet; Columbia D103 6 sides

IT SEEMS a pity, when "conservation" is on everyone's lips, that so much time and skill should be wasted on music which is scarcely worthy of a high-school band. Sir Thomas Beecham and the engineers of the Columbia Studio have pooled their very considerable talents to produce a splendid recording. As for Rossini's gaslight opera, it merits a Christian burial and merciful oblivion. Still, if you feel a haunting nostalgia for the long-vanished days of antimacassars and button-boots, you might do well to buy this

record. It will not pass this way again. Gretry's "Air" is a gracious if somewhat over-elegant parlor piece . . . but excellently well performed!

ROSSINI - Semiramide Overture

Sir Thomas Beecham and the London Philharmonic Orchestra; Columbia J77 3 sides (4th side - Gretry: Air de Ballet)

THE Cossacks again, singing with tremendous gusto and humor. "The Regiment" is a rousing war song, as full of shouting and whistling as a western rodeo. "Parting" is a comic song in the broadest Russian manner. The recording is not as resonant as it should be and even if you have the good fortune to understand Russians, you'll not be able to catch the words.

PARTING, and THE REGIMENT WAS RIDING

Don Cossack Chorus directed by Serge Jaroff; Columbia C10098 2 10" sides

WE HAVE never heard the grand daddy of the piano concertos so excitingly interpreted on records before. Mr. Serkin is a pianist in the grand manner and he's in his element in this massive composition. Collectors who have been consistently disappointed by previous recordings of the "Emperor" will be pleasantly surprised by the fidelity with which the Columbia people have reproduced Mr. Serkin's technically perfect performance.

BEETHOVEN - Concerto No. 5 in E Flat Major ("Emperor")

Rudolf Serkin with the New York Philharmonic under Bruno Walter; Columbia D102 10 sides

MME. LEHMANN is the world's best lieder singer and Mr. Ulanowsky one of the most distinguished accompanists. Even in this comparatively "light" music, their combined performances are masterly. The recording is excellent, too.

BRAHMS Cradle Song and Serenade

Lotte Lehmann (accompanied by Paul Ulanowsky); Columbia C10100 2 10" sides

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THE FILM PARADE

When the Lean Years Eat Up the Fat

BY MARY LOWREY ROSS

THANK Heaven for priorities which one of these days will do away with the double-bill.

Up till now the double-bill has been one of the evils of our superabundance. It was a nuisance and we didn't particularly enjoy it but we came to expect it and to feel deprived and trefful when a niggardly management tried to put us off with a two-hour feature, travel talk, news-reel, cartoon and musical short.

Recently I took the children to our neighborhood theatre to see "Dumbo." Added features, "Superman" and "I Wake Up Screaming." Since there was no room left in the theatre for adults I sat in the lobby—in floating comfort, surrounded by mirrors and chromium trim—and talked to the manager. He had a mournful story to tell. During New Year week, he said, he decided to experiment with a single feature bill. So he brought in "Penny Serenade," a popular family film, and arranged a nice tasteful program to go with it. He sent out hand bills and put cards in the local barber shop and chain store grocery and waited to see what would happen.

What happened was simple. Nobody came.

"Don't think we want double bills," he said bitterly. "All they do is fill the theatre and cut the total attendance in half. It's the public that wants them and the public is just a lot of spoiled children. All they want is twice as much as they can use."

TO BE sure there has always been a suppressed minority who disliked double features quite as heartily as the manager. For these however the remedy was quite simple. They could just miss the part of the program they didn't want and enjoy the rest. It didn't matter that half the program was scrap-material that just went to waste; or that a thrifty French theatre manager could probably have lived comfortably on the entertainment that the American public simply threw away.

The double bill in fact is one of the features of that prolonged American spree of wastefulness that is now, happily or unhappily, coming to an end. It belongs with all those winning nuisances that have trammelled us for years—the arbitrary stocking shades, the six attendants at every gas station, the high-powered radio, now happily irreplace-

able, across the street, and cellophane, cellophane over everything. One of these days it will be possible to buy a package of cigarettes that isn't protected from an undetectable loss of flavor by an impenetrable sheath of cellophane. And one of these days the second half of Hollywood's double-bills may be converted into high explosives, through the strange alchemy of chemistry, and dropped over Berlin or Tokyo, where it belongs.

In the meantime it must be admitted there is very little sign of any drastic rationing from the industry. Hollywood is still busy moving its accumulated stock and relief is a long way from sight. It will probably take considerable time and many further shocks to cut us down to a rational picture diet, and to a sensible realization that the lean years at last have eaten up the fat.

THE major offerings of the week turned out to be "The Lady Has Plans," "Gentleman After Dark" and "Bed-Time Story." "The Lady Has Plans" outlines the adventures of a lady spy who carries her military secrets in the last place anyone would ever think of looking for them, or

indeed of putting them—right across her beautiful back. It's an espionage strip-tease, its object being to catch Paulette Goddard with her shoulder-straps down. She isn't the real spy of course, so she can—and does—take a bath in the picture; with all the doors wide open too, so that enemy agents can pop in if they feel like it, in the hope of taking a camera shot of her carnal blue-prints. It's ingenious and entertaining and Paulette Goddard carries it off with an agreeable mixture of modesty and aplomb.

"Gentleman After Dark" is based on a story written, obviously many years ago, by Richard Washburn Child. Its hero (Brian Donlevy) becomes a father shortly after the picture opens and right away paternity is shown taking his mind off his work, which is separating high-class dowagers from their diamond dog-collars. He spends all his time airing and even changing his little daughter in Central Park, and this paternal fussiness so exasperates his wife (Miriam Hopkins) that she arranges to have him sent down for twenty years—just long enough for the daughter to grow up into a beautiful girl engaged to one of America's largest fortunes. This brings both the original parents on the



Minus spare tire and chrome trim, the sedan above was the last civilian passenger car to be built in one of Canada's largest automobile plants. Workmen and officials are gathered for a brief ceremony as it rolls from the assembly line. Now war needs will get 100% priority.

spot, the one looking for vengeance and justice, the other for a cash settlement, and from here on you're on your own.

"Bed-Time Story" brings us another of those furious theatrical couples (Loretta Young and Frederic March) who can't get along together or apart. He writes plays, she acts in them. She wants to quit, he wants to keep going. She rushes off to Reno and he lures her back. Then she's

off to Reno again and he is after her; And so it goes on and on one impasse succeeding another in strict continuity. Stick won't beat dog, dog won't bite pig, pig won't get over the fence, and just as we are thinking we won't get home till morning the whole thing explodes in a hotel bedroom sequence that might have been invented by Groucho Marx. It's funny and worth waiting for, but it was a long time coming.

AT THE THEATRE

The McKenney Girls Again

BY MARY LOWREY ROSS

THE great advantage of "My Sister Eileen" is that it hasn't any plot; or, more strictly, that it has so little of a plot that you needn't waste time anticipating climax and dénouement. What happens from moment to moment is enough for comedy and excitement. The curious basement life of the McKenney sisters—they're the Sherwood sisters here—appears to have been nothing but an unbroken series of crises and dénouements, both moderately and immoderately funny. It all makes a fine carefree evening's entertainment.

The sisters Ruth and Eileen are very much the bewildered but wonderfully self-helpful girls made familiar in the McKenney sketches. They work on and off at their careers and live entirely, it would appear, on milk bottle returns. Their basement apartment is as wide open to the public as a subway station, though no subway riders were ever quite so colorful and peculiar as the young ladies' uninvited visitors. The public surges through their lives and any who don't come in the back door are always free to look through the basement window and watch what is going on.

A good deal more goes on, actually, than was described in the original McKenney stories. The authors of the play, Joseph Fields and Jerome Chodorov, have expanded the material to include a large number of fresh people and a great deal of fresh and funny dialogue. It's all in the high-spirited McKenney vein however. Nothing dull or predictable ever happened to the McKenney girls and nothing dull or predictable happens here.

Betty Furness's performance as Ruth is wry, amiable and competent. Actually Miss Furness is much too attractive to be cast as the girl who never rates a second masculine glance; but it can't be said that her good looks are any real handicap. As Eileen, Dorothy Littlejohn is pretty and blonde enough to draw beaux from every bus-top and drug-store counter, which is about all she has to do. The part of the landlord, Mr. Appopolous, has been built up to make a fine showy role for Leo Chalzel, who doesn't neglect any of his opportunities. At least two dozen other people are involved, and they are all intensely active and effectively cast. A few are represented merely as legs passing the basement window, and even the legs have been selected with discrimination. The one set, the heroines' underground home, is suitably murky and distracting. Altogether "My Sister Eileen" is very much the sort of play Ruth McKenney might have evolved from her own stories and experiences, if it had occurred to her to do it herself.

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HERE'S HOW:

- 1 MASH it** — drop a cake of Fleischmann's fresh Yeast in a dry glass. Mash with fork.
- 2 STIR it** — add a little cool tomato juice (or milk or water if you like). Stir well. Fill glass, stir again.
- 3 DRINK it** — It's a delicious, easy way, to get plenty of B-Complex Vitamins. This fresh yeast, you know, is an excellent natural source of this very important vitamin group.

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You may need more B Vitamins. Try 2 cakes of Fleischmann's fresh Yeast every day. *Drink it*—the new delicious way in tomato juice. See if you don't soon feel up and at 'em again. Ask your grocer for Fleischmann's fresh Yeast... the yeast cake with the familiar yellow label, *today!*

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There's nothing men admire so much as
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A GIRL or woman may have features that are far from perfect and a figure that is not well proportioned, but if she has a lovely youthful skin, men will look at her admiringly.

Most women know this. And many know how to have and keep the kind of skin men admire. They know that one cream, different from all others, can actually create skin beauty!

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Contains at least
1200 A.D.M.A. Vitamin D Units
1500 Vitamin A Units

Draw in Your Net

(Continued from Page 26)

mixed and heated. Garnish the fish with cress and radishes and pass the sauce separately.

Broiled Fish

This is delicious if it is carefully done, but remember one trick about it. Heat the grill before putting the fish on it, because if you don't the fish will stick and break when you try to remove it. Broiled herring are delicious and quick to do because they are not large. Clean and wash them and brush them with melted butter. Season and lay skin side down on a well greased broiler with a moderately hot fire. Serve quickly as soon as they are done with melted butter.

If you have studied many cook books, you must have noticed whenever you reach the fish section a mysterious thing called courtbouillon crops up. It seems the French use it for poaching their fish and scorn to cook fish in plain water. This is the recipe for it.

Courtbouillon

- 2 quarts of cold water
- 1/2 cup of vinegar
- 2 tablespoons of salt
- 1 sliced onion
- 1 sliced carrot
- Parsley
- Bayleaf

Boil very gently all together for forty-five minutes then strain and cool and use it to poach your fish in. Remember that Escoffier said that

MISSING— OPERATIONAL FLIGHT

I HAVE known this before,
Ten thousand times;
And the first,
And the first hundred,
Those were worst.
Of sting this was bereft
Long, long before he left.
I have known this before,—
Too many times.

Knowing there would be war
Ever too soon,
Most mothers' hearts
Jerky moved
In steps and starts,
Learning to yield,
To cold to dreaded strife
Life dearer than her life.

I have known this, alone,
Too many times.
This time friends share with
me,
This once they bear with me,
May even dare, with me,
Wise, longer time were spent,
More tanks and railways rent
Ever keen, trained lad went.

EMILY LEAVENS.

poaching was a "boiling that does not boil." Nearly every sort of fish should be poached, not boiled, for brisk boiling makes fish fall apart.

Poached Finnan Haddie

A haddie is one of the fish which you don't poach in courtbouillon as it is smoked and so highly flavored in any case. It is usual to cook it gently in a mixture of half milk and half water. Put the haddie in a shallow dish and cover it with the milk and water and bring just to the boil, and then simmer gently for ten minutes, turning it once during the cooking time. By then the flesh will come away from the bones easily. Drain off the liquid and put the fish on a platter. Skin it and take out all the bones you can. Cover with nearly melted butter and sprinkle with pepper and chopped parsley, and serve with some of the milk in which it cooked.



**ONLY SEVEN
MINUTES FROM
PACKAGE TO TABLE**

AND IT'S

**SEAL-PACKED
TO KEEP IN THAT
REAL CHICKEN-Y FLAVOUR**

• The quickest "quick" soup you ever tried... and the finest flavoured. Try Lipton's Noodle Soup Mix today. See how much more soup you get for your money. See how quickly and easily it's made... just add a package to four cups of boiling water... cook for seven minutes and it's ready to serve.

And remember, Lipton's Noodle Soup Mix makes a clear, golden broth, parsley flecked, with delicious egg noodles, delicately seasoned and flavoured with tasty chicken fat to make it as nourishing, as smooth and tempting, as the best slow-simmered soup ever made on your own stove.

All ingredients in Lipton's Noodle Soup Mix are of superb quality, perfectly blended and then seal-packed to retain that real chicken-y flavour and goodness. Ask your grocer today for Lipton's Noodle Soup Mix.

S4

"I love its
old-fashioned
chicken-y
flavour."

"Each package gives
me 4 big servings—a
third more than I get
from canned soup."

"It's as tasty and
nourishing as the
slow-simmered soup I
make myself."



**LIPTON'S NOODLE SOUP
Mix**

THINGS are changing out here on the west coast and I want to put down a few of the best of them before they vanish quietly into history.

We live in British Columbia and you know how it is with us out here; any day now anything can happen. We are stationing guns on the roofs of our apartment houses with a polite little printed request that no one is to feel alarmed. I suppose that actually we don't feel alarmed, the most we feel is that life is changing. For the past month now some families have been quietly moving away, sending their children inland but no one talks too much about things like that. Partly because we should be ashamed to be tabbed as

THE FEMININE OUTLOOK

Postscript to March, 1942

BY IRENE BAIRD

panic-mongers but most particularly in deference to those people who cannot get away. Going away is not easy for most people and whether they like it or not they must stay where they are and take the future as it comes.

Things have been happening one at a time, a peg dropped into place

each day. I don't mean the strong outcry of the newspapers, the uneasiness of those who can find a voice. I mean change has been coming over the lives of the inarticulate majority to whom people like us belong.

For the past two months aircraft has been flying low over our roof at the same hour each evening and then again at midnight. The roar of those invisible wings has a sentinel sound; it is the voice of a coastal patrol that rests neither day nor night but flies on through dark and frost and snow and sunlight. Never

does it pass over our roof but we raise a quick, instinctive prayer of thanks.

For those planes do not fly themselves. Up there, drumming on through the secret sky are boys like the ones who fought at Dunkirk and Crete, through Greece and Hong Kong and Singapore. They are guarding our house. I wish they could know that we thank them.

Guards are stationed at our bridges, guns are camouflaged along the coast, there are no more neons on the streets. Our air raid warden called at the house and left a form to be filled in. Had we a car? Was anyone in the house trained in first aid? How many extra could we take in if we had to? How total was our black-out?

These things happening on the surface of life, one at a time, prevent each day from being quite like the last. They make each Saturday different to the one that went before or the one that lies ahead. It is the same with all the days of the week. Under their quiet watchful exterior they are time in process of becoming history. And so the common things the little things that make our days what they are, have grown curiously precious.

Benediction of Light

One of the blessings that we have learned to value most are our lighted streets. We learned to do without the neons very quickly but after our first blackouts we shall never quite forget what it means to have light.

And so with change creeping over all that we do or plan, there are a number of unimportant miracles that I want to record while they are still among us.

One is the blue night sky lit by nothing more deadly than stars; another the way the skyline looks, rash and brilliant, the great swinging, glittering arc of the waterfront.

I want to remember how our waterfront used to look in the days when ships from every port in the world put in and decorated our piers with their striped smokestacks. I want to remember how ships looked without camouflage and in particular one massive Norwegian freighter with a steep black bow, shining copper stewpans in her galley, lean grey diesels, and a slow speaking shipper sailing under sealed orders. I wonder where that ship is now. She was out of Bergen.

For Remembrance

I want to make fast a lot of unimportant moments that for some reason have grown unforgettable. The days we used to row over to the island and come home in the warm dusk with a boatful of trout and a marvellous stinging tan. I want never quite to lose the sound of water lazily slapping against hot rocks in the days when there was nothing more vital passing over the horizon than a gay, ragtag freighter or a fleet of kitten boats sporting out there in the sun. I am not sure that all this is sentimental, I believe there is a certain substance to it too, because no mind, however plucked in war, can endure without a moment's occasional break in tempo.

Life has been changing out here in the west during the past six months but only occasionally something happens to bring history into focus. I am thinking of the second Victory Loan parade of a few weeks ago and how different it was to the first one. There was no fuss, very little demonstration and what the people felt was in their faces rather than in anything they did.

Things are changing with us out here in the west. History is coming to the boil and it is all part of the enormous pageant with which some how we little folk have got ourselves entangled.

It is time that we began to feel something more than spectators and I think in our hearts we are glad enough to have to be up and doing. We have waited a long time, we have had the chance to salt away the memory of some marvellous years to draw on when the going gets tough but if there is relief in action then I don't think any of us regret too much that the time may come soon now when we shall have the chance to prove that this is not somebody else's war.



Good rich earth—backbone of Canada . . . Not all canners are farmers. The Green Giant is. His picture on the label is an everlasting promise of ever-present quality in corn. Ask for the one and only Niblets Brand whole kernel corn. Look for the Green Giant on the label.

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THE OTHER PAGE

This England

BY AUDREY ALEXANDRA BROWN

centuries that almost every inch of it is like a garden. It has been sacred because it has been so loved. In the early days of this war, when the first German bombers came over, we used to be told so often that "a few bombs were dropped, but no damage was done." No damage was done—that is, no military objectives were

hit, no one was killed or injured. Only the lovely countryside torn apart and blasted to ruin! "This dear, dear land, this England!" When I think of what has been done to London—London, which was every free man's heritage—my heart is broken with pride and sorrow. So much is gone that was precious; we did well to love it, we were only wrong to feel that we could not live without it. It has been destroyed

that something better may replace it: yet the heart aches.

The world is now in flux, and much that now is will not survive. But England will survive, and the English; that England whose ramparts held when all Europe lay in ruins; those English who at the end of their two thousand years' history had still one lesson left to teach the world—how, weaponless, to oppose tyranny with the naked flesh itself.

I talked to the Englishwoman. She said, turning those clear light eyes on me with wonder—"They say we're heroic, but I can't see any heroism about it myself. After all, *what else could we do?*" It is a tribute to her Englishness that I never even thought of the only possible answer. It never occurred to me to say, even in jest—"You could give in."

at EATON'S



IT'S THE SUIT IDEA . . .

There is something about the trim purposeful look, the ready-for-anything completeness, of a suit costume that belongs to these days of resolve. That is why throughout **EATON'S** Spring collections you see a profusion of suits, and suit dresses like these sketched. The one, such a supremely versatile wool suit, for those cool Spring occasions whether committee working or evening outing . . . the other such a feminine tunic dress in one of those all-time prints. Both backlogs of modern wardrobes.

Beautiful suit of black wool with fringed edges. Size 14. \$69.95. Suit Shop, Fourth Floor. Over shoulder bag of black calfskin. \$8.50. Main Floor.

Rayon crepe ensemble, with shirtmaker dress, tunic coat, in big red and white print. Size 14. \$39.95. Misses' Dress Shop, Fourth Floor.

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I MET her at a reception held in her honor—the third in two days. Standing there in the crowded hall, with eager, chattering, friendly people pressing in on her from every side, she still gave a curious effect of being alone. Not that she was aloof; she was smiling, and it was the very charming smile of a bewildered and trustful child. But she seemed to move and breathe surrounded by an atmosphere of her own. I thought of things I had never seen a cottage-window, its lattice trailed with creamy roses—a garden of hollyhocks and larkspur, full of bees. And I looked at her again.

She was so fragile a creature, she might have been made of glass. She looked utterly exhausted, and quite indomitable. It was not resolution in her face; it was something far stronger, something for which I have no name, and which defeated by its very gentleness. Perhaps (I can find no better words for it) it might be called a quality of being. When she looked at you her eyes were the light blue of clear water. They were completely candid, as few but a child's eyes are candid. And, like a child's eyes, they abashed.

Half an hour ago she had been speaking of terrible things. She told us about blitzed England. It wasn't a pretty story. She told it with great simplicity, making no attempt to enhance its effect by conscious drama or pathos: the light fluting voice dropped a tone once or twice, but never faltered. Evoked less by what she said than by what she did not say, a picture began to evolve itself on the background of the colorless words like a slide thrown on a white sheet by a magic-lantern. At first it was confused and out of focus; minute by minute it settled into place, heightened and darkened, took on reality. And it was a frightful Apocalyptic vision, a nightmare of

Coming Events

WHAT promises to be a highly interesting dramatic experiment will be tried out at Hart House Theatre for the four nights of April 13-16, when Herman Voaden's "symphonic" play "Ascend as the Sun" will be presented with a cast of experienced players and a troupe from the Volkoff Dancers. The music of this play has been written by one of Canada's most promising young composers, Godfrey Ridout.

fire and blood; a world through which this woman had moved and in the midst of which she had had her being, serene and inviolate; a world from which she had come and to the likelihood of which she would unhesitatingly return. Perhaps the thought was in no other mind, but certain words slid into my brain as I looked at her; very old words, having to do with those three who were cast bound into the Babylonian furnace, yet "upon whose bodies the fire had no power, nor was an hair of their head changed, nor the smelt of fire had passed on them."

IT WAS so hard to relate her to the things of which she spoke. She was a drawingroom creature, born to wear silk and handle porcelain and silver. No; if that look was on her it was the deceptive look of inheritance. Her hands, delicate though they were, had none of the vapid perfection of incompetence; her fragility had nothing to do with weakness either of body or soul. Under her crystal surface the spirit burned with a clear unwavering flame, diffusing not heat but light. That light, I thought, would put out any other fire as the sun quenches a candle.

She was English. I had seen many English people—few of her type. Small colonies, mostly Anglo-Indians, abound on Vancouver Island; usually they can be recognized at a glance—splendid-looking men, tall, lean and brown, with the stamp of breeding on them; large-boned women with beautiful voices, carelessly dressed in badly-selected and sometimes outrageous clothes, worn with a negligence amounting to the superb. The way such Englishwomen dress is a continual source of irritation to their neighbors. And why? Surely they have the right to wear what

they please and their doing so does us no injury. But the root of the matter goes deeper than that. As a whole, we Canadian women and our American sisters are possessed by the anxious necessity of appearing always at our best. We haven't the moral courage to make oddities of ourselves. No; it's not moral courage which is lacking, but a more envied, less attainable attribute the unconscious sureness of the completely well-bred, who dare appear as they choose because they are free of the necessity of making an impression. That is hard, perhaps impossible, to forgive. Conceit, says the rest of the world; arrogance, howl their enemies. But indeed, or so I believe, it is neither. Its source is in the stability of the English character, the strength which has never been understood by themselves or their friends or their enemies. It was no fluke that made the English masters of a quarter of the globe.

THEY are a people hewn out of the rock. There were great nations before them: there shall be none such after them. The English may never again bear rule in the Orient, but the seat which was theirs shall not be given to another. The yellow man, the brown and the black, shall each be master in his own house, and each shall inherit his own land; but that that inheritance is comely, well-ordered and rich he may thank England. England has been the elder sister in his house, husbanding, investing, administering: taking indeed a fair recompense for her labors, but little in comparison with what she might have taken, and less still in comparison with what she gave.

Think it over. There never have been a people so calumniated by their enemies or by themselves as the English. They have been called an arrogant race, but how does that square with the truth that no stranger can criticize them more harshly than their own writers have done and do? What alien has written more savagely of the English in India than E. M. Forster?

Traditional England, full of inequalities and abuses . . . the wide, walled estates, the teeming slums; the hugely wealthy industrialists, the starveling factory-hands; magnificent Oxford, and farm laborers who could not read or write; cloth-of-gold, and rags. That England's day is done. That England is gone forever; and better so. Yet out of that England came all that is best worth preserving even at the price of life itself. American writers have frequently spoken of their country's part in this war as "a struggle to preserve the American way of life"—this way of life being presumably one invented by, and peculiar to, the United States. But what is "the American way of life"? That unnecessary (though delightful) standard of luxury which was crystallized by Mr. Hoover in his post-election symbol of "two cars in every garage"? If so, it's a very pleasant way of life; but hardly worth dying for, even if by such means it could be maintained—and it cannot. It is passing today before our eyes. But if by the "American way of life" they mean (as I think they do) something more crucially important than luxury—if they mean liberty and law and the freedom of the human spirit—then they mean what they brought over in the Mayflower; and they brought it from England.

ENGLAND: as she talked, I thought about England—the little country, only half of an island, which is spiritually the inheritance of all mankind. Shakespeare was no sentimentalist, and his John of Gaunt even less so; and yet it is into the dying lips of John of Gaunt that he puts that moving cry—"This dear, dear land . . . this England!"

I was thinking of that land; of the very earth itself, which is so old now, and has been tended for so many

Make Gold Useful, Not an Economic Football

BY W. A. McKAGUE



As in most Nazi dominated lands, the people of Norway are kept at near-starvation point. All foods are strictly rationed. Here Oslo women are shown waiting their turn at a market where often the amount is so limited that only earliest arrivals can get any. One woman may be seen making the "V for Victory" sign as she smiles at the camera. On table in foreground is displayed the scanty fare the market offers.



But while citizens go hungry, their German masters see to it that for them, food and drink—and lots of it—may be easily obtained. This picture shows supplies in great quantity being delivered to a German restaurant in Oslo. Formerly known as the "Humlen", the eating place was confiscated by the Germans soon after they invaded Norway and was re-named the "Lowenbrau". Popular with Nazis, Norwegians boycott it.



In order to show hatred for their enemies, the people of Norway do more than just boycott restaurants where the former gather. The dead body in this picture is that of a German "protector" in Norway, whose presence apparently was resented by the Norwegians. The dead man wears a German uniform, sweater and boots are Norwegian. Shot from ambush, his body bears mute witness to the way his kind are hated.

GOLD was the idol of the depression years because of all the important commodities it was the only one to enjoy a spectacular rise in price, even though its advance had been wholly artificial—a purely monetary manipulation. Now this idol is tottering, and thousands of its neophytes have taken to flight lest they be destroyed by its collapse.

One would have to search far back in history for a parallel case in which an undertaking received such official sponsorship as has the expansion of gold mining in recent years. It has always been agreed that when industries are hit by a general depression, gold mining should be stimulated because costs decline while the fixed selling price holds, and that the resulting increase in gold output should provide the new money with which an increase in general business can be promoted and the depression thereby cured. This experience became evident from the very start of the last big depression.

Gold output in Canada had been increasing gradually because of new discoveries, but in 1931 it jumped by more than 25 per cent, from 2,102,068 ounces in 1930 to 2,693,892 ounces in 1931, and in 1932 it again increased to over three million ounces. But the United States government decided to go one better than natural

forces, by changing the price of gold from \$20.67 per ounce to \$35.00 per ounce. That brought about the unusual combination of a big revenue gain for the gold mines while their labor and material costs were still low because of the depression.

The consequence was a boom, in fact a quite unnatural boom, in the industry. Gold mining thereby appeared to be not merely depression proof. It became the one blue chip development of the depression years. Literally dozens of new properties were brought into production, and millions of tons of low grade ore acquired commercial value. Canada's gold output increased to over five million ounces in 1939. To accomplish this, of course, a great deal of new capital had to be invest-

ed in exploration, development and plant. And during all of these years government officials and industrial leaders vied with one another in praising the contribution of gold mining to employment, production and other phases of Canada's economy.

This trend and viewpoint did not stop with the war. Indeed the circumstances of the first two years of the war still further heightened the status of gold mining in Canada, for the industry provided a readily saleable and high-priced commodity which could help us to acquire war materials and other supplies in the United States at a time when that nation was neutral. Thus in his budget speech of June 24, 1940, Finance Minister Ralston made the following appeal for continued and increased

appeal for continued and increased

appeal for continued and increased

THE BUSINESS ANGLE

Should We Kill Our Cow?

BY P. M. RICHARDS

THIS week Canadians began driving on rationed gasoline, and for most of them, naturally, it means less driving. But not for all. The widespread use of every opportunity to obtain a higher-than-"A" category suggests that some, at least, will still have sufficient supplies of gas.

Probably most of us are guilty, at one time or another, of this kind of unpatriotic selfishness. We find excuses for our own conduct, and accuse others who do something we had less urge to do. We are more prone

to lapses of this kind than the people of Britain and Australia because we are less war-conscious than they, and consequently less ready to accept the changes in standards of living necessitated by a total war effort. Britons and Australians being

conscious of having their "backs to the wall", wartime problems are simpler of solution for them than for Canadians and Americans. Over there, individually and collectively, the test of every proposition is whether or not it aids the war effort. In Britain this attitude was reflected a week or two ago in the advocacy by Sir William Beveridge, called the dean of British economists, of the virtual elimination during wartime of the profits system, the transformation of trade unions into "conscious agents of national policy" and the temporary abandonment of all vestige of party government. These recommendations were given weight by the high prestige of their proponent.

Expediency or Policy?

Whether the Beveridge proposals have merit or not in the circumstances in which they were made, it may, perhaps, properly be pointed out that emergency action which may be quite right for a country facing imminent invasion may be no less wrong for another country not so placed. If a family is starving its only recourse is to kill and eat its cow; if it is not starving, it will probably benefit more by keeping the cow alive and consuming the milk. The question is not one of willingness or unwillingness to accept sacrifice in an emergency, but of determining the course of action required by the situation. Sir William Beveridge's suggestions were not long-term economic propositions but expedients to meet a short-term emergency.

If the family kills its cow without sufficient reason and deprives itself of the milk, it obviously has done itself harm. The family's ability to survive over the long-term future is diminished. We have not only to win the war but to win the peace afterwards—a fact

which we failed to consider sufficiently the last time. Sir William Beveridge advocates an enormous extension of the functions of the state and an equal contraction of the present functions of business management, independent trade unionism and political parties. Sir William is thinking only about the war. Place against this the warning last week of Alfred P. Sloan Jr., chairman of General Motors Corporation, that industry must be prepared to keep its vast war-expanded plant capacity in full use after the war or face a serious threat to the American way of living.

The General Motors head said it is clear that lack of adequate preparation to defend America and its institutions against attack from without has increased immeasurably the dangers in which the people now find themselves, that this fact will greatly increase the cost of the war effort and the sacrifices required to achieve final victory, and that a similar problem exists today with respect to preparation for the future.

The Post-War Challenge

"Industrial, economic and political statesmanship of the highest order is now demanded in the formation of plans to meet the challenge of the post-war era—a challenge to achieve a full utilization of the nation's expanded production facilities," said Mr. Sloan. "To the extent that this challenge is not met by industrial leadership it will be met by a demand for enormous expenditure of government funds and the further injection into the economy of various forms of economic panaceas. What is vitally needed is the reconstruction of a foundation of confidence in the future opportunities of accomplishment based upon the American system of free enterprise. Otherwise we may well win the war but nevertheless lose the peace."

Quite clearly there is danger today that under pressure of the critical war situation we shall do things to our economy that we shall never be able to undo. While we must readily do whatever is required to win the war, this does not necessarily involve the destruction of our economic system, on which we must depend for subsistence after the war. We shall make such destruction less likely if we consciously make every effort to distinguish between expediency and policy in all measures proposed.

Conceivably, later on, a condition of emergency may arise in which it will be necessary to kill the cow which is private enterprise and initiative. But, until such a time arrives, it would be well to cling to the thought that years of milk are better than days of beet.



gold production: "Further expansion of output is the most immediate and important means at hand for directly augmenting our supplies of foreign exchange, and I think I can appeal with confidence to those engaged in producing gold to put forward every effort to increase their production as rapidly as possible." Gold production in Canada reached an all-time peak of 5,328,000 ounces in 1941.

But there have been shadows over the industry recently. The entry of the United States into the war changed the situation. Since we are now full partners in the war, settlement for goods can be made by mere book-keeping entries. The actual shipment of gold and other quid pro quo has less meaning than formerly. And several steps have been taken towards an economic merger of the natural resources, productive plants and labor supplies of the United States and Canada. This is with a view to the greatest efficiency in production, but it also has some regard for the elimination of non-essential lines. The mining of gold in Canada only to bury it in Tennessee may easily be regarded as a wastage of material and effort. That is the thought which has invaded the mind of the investor and the miner. No change has taken place in the price or in the marketing. But on the other hand there is a dearth of those official assurances and encouragements which were formerly so prevalent.

Poor Shareholders

Thus far the principal victims have been the gold mine shareholders. Literally hundreds of millions of market value have been wiped out by the decline. The following table shows the approximate values placed on ten leading gold mines at the 1937 high and at the market of March 22, 1942. Some of these highs are under those of other years. It should also be remembered that some have government bond holdings and other stabilizing factors which, if eliminated, would reveal a more pronounced shrinkage in the valuation placed on the mine itself; McIntyre is a conspicuous example.

	1937 high	March 22, 1942
Barrick	\$11,000,000	\$8,500,000
Dome	57,000,000	26,000,000
Hollinger	75,000,000	34,000,000
Lake Shore	118,000,000	16,000,000
Mackay	21,000,000	5,300,000
Kirkland		
Lake	9,000,000	2,500,000
McIntyre	33,000,000	26,000,000
Pioneer	12,000,000	2,700,000
Teck Hughes	30,000,000	8,500,000
Windsor		
Harveys	44,000,000	11,000,000

For reasons already given, one must admit a degree of inflation in the value of any gold mine subsequent to 1933. But taking Hollinger as a specific example, this stock went as high as \$22.75 per share in 1927, whereas its highest price for 1933 and subsequent years was \$21.65 in 1934, and the 1937 high of \$15.50 therefore does not by any means represent the highest valuation that has ever been placed on the mine.

In view of what has happened lately, it appears now that the entire plan of using gold as the prop for recovery has had unfortunate consequences. It is just another example of how artificial controls sooner or later react to the inquiry of the very interests which they were designed to help. If we had had a slow development of gold mining at the old price, the losses experienced by the hundreds of thousands of people who have put money into gold mines, both old and new, during the past few years, would be much less than they are today.

But leaving aside these errors of the past, what are the facts and the present prospects? Economically, the position of gold has not changed since it was withdrawn from circulation and interred in the vaults of the central governments and their banks. This act put a blight on gold, because value is an economic attribute which attaches only to things in use, and the forced abstinence from the use of gold may eventually cause the loss of appetite for it. However, a decade is a trifling interval in the record of an old established human

institution, and the very plethora of unsecured paper moneys in the world today is an almost certain augury of their own collapse, and of an irresistible public demand for a money of intrinsic value. A more immediate hazard arises from the fact that the axis nations, being unable to build up gold reserves, are insistent upon deprecating it and upon getting along without it, and quite obviously they are doing the last-mentioned very successfully. That suggests the possibility that gold will be valid only among the group of "united nations."

23 Billions in U.S.

The amount of gold in the United States monetary stock is now approximately \$23 billions of dollars. Canada has practically none of her own, but there is an unrevealed amount in the hands of Canadian or U.S. authorities on account of Britain and other nations. Taking say \$25 billions as a minimum estimate, this is double the volume of note circulation in the United States and Canada. That is, the people of these two countries could be furnished completely with a gold currency, or with notes fully backed by and exchangeable for gold, by means of half of the existing stock.

Indeed, the total population of the entire Americas being just about double that of the United States, such a currency could be provided for the entire American world, at the rate of present note circulation in the United States, which, at about \$100 per person, is exceptionally high because of hoarding of U.S. notes in many lands, and therefore is not likely to be required in any other country. Even \$50 per capita is quite high as general experience goes, and this would leave an immense free gold reserve in America for possible later use in other non-American countries. Is it not worth while to suggest that, instead of keeping gold buried until some undetermined time in the future, at the risk of its ultimate obsolescence and to the great perturbation of the gold mining industry meanwhile, the gold stock should be put into immediate use?

The restoration of "hard money" on this continent would be a mighty foundation of confidence and stability which is needed at the present time. Indeed, one may inquire, why all the alarmist propaganda about the perils of inflation when this peril itself arises from the abandonment of gold? One of the chief complaints about gold currency was its rigidity. Central banks and managed money, it was claimed, were needed in order to properly regulate the economy and price level. Why is it that we hear nothing about this argument today? Is money management such a failure that we need a "ceiling" or other fixed price structure, which is enormously more cumbersome and costly than is the operation of a gold currency. It seems to be a very travesty on truth that we can find no monetary merit whatsoever in gold, no real economic benefit from the possession on this continent of most of the world's gold, while in the same breath we complain about our inability to manage money and prices under the new system.

One Year's Output

Lest we as Canadians be accused of taking liberties with a gold stock which is the property of the United States, it should be pointed out that if the Canadian output of even one year were held in this country it would give us a fair start, while two years' accumulation would probably be adequate for all of our monetary needs. Now that our two countries are so closely allied in every respect, the United States would probably assist us in this co-operation towards the establishment of a sound continental money, and consider Canada as all the better risk on that account. It would certainly be sounder business than merely crediting us with the value of unmined gold, which is one of the most prevalent suggestions now heard as the way to stop gold mining and at the same time to maintain Canada's purchasing power.

Regardless of whether gold is

brought back into circulation, the opportunities for using part of it to acquire some supplies from South America exist at the present time. It will be recalled that the great problem of United States commerce and finance in recent times has been to find enough suitable imports to balance her exports, the productive economy of that country having become so successful that she could literally flood the open markets of the world with her manufactured goods and at the same time require very few supplies of any kind in return. She was, in consequence, faced with the Hobson's choice of giving away money so that the export markets could continue to buy, or letting her export trade go by the board.

All of this situation is changing through the new pressure on United States production for her own and her allies' war purposes. She has less to sell to South America, but wants to get more from that continent. In short, her balance of trade is turning the other way. Her gold is of unique value for settlement of any adverse balances, but a few billion dollars will cover all such possibilities now in sight. Nevertheless it is a unique opportunity to provide the other American countries, from the Rio Grande to Cape Horn, with gold which would enable them to join the United States and Canada in a new gold currency block.

That is an economic prospect which should sustain the hopes of the gold miner and the gold investor, but it does not overcome the immediate danger of excommunication. Indeed, this article does not even urge that gold mining should be emphasized in wartime. The very immensity of the existing gold stock denies any such need. If we were on a true gold basis today, and even if part of the stock were "sterilized" for possible future needs of other friendly nations, there would still be enough gold for circulation to create a moderate degree of inflation, which is what the governments claimed was needed at the start of the war, and which has in fact been effected. It would be a controlled inflation, and that is what is claimed to be needed at the present time.

More Sure, Accurate

The control would be more sure and accurate than any that is likely to be achieved by means of ceilings and other rigid structures with which experiments are being made. As costs rose there would be a contraction in gold output, but the permanence of the gold mining industry would be assured, and that would be immensely better, for all concerned, than the present undefined status of the industry, which provides unrestricted scope for rumor and alarm.

Even if other factors remain unchanged, there is an imminent danger to the industry through priority and other direct controls over raw materials and supplies. It is reported that the United States has agreed to supply the South African mines with their requirements. The older Canadian mines have as a rule from one to three years' requirements on hand. The capacity of Canadian steel and other supply sources has been expanded, and it is understood that they are now in a position to provide all the drill steel, balls, rails, etc., for the present rate of operations provided that they are allowed to do so, and that there is no stoppage in the essential materials which they in turn have to obtain from the United States. The normal consumption of steel in gold operations is from 3½ lbs. to 5 lbs. per ton of ore hoisted, so that the relative cost or consumption of such material is small. But in the very complicated scheme of allocations and priorities now being attempted for control of raw materials, a mining company may at any time find itself tied up for lack of supplies, and the hazard is already facing the newer mines which have not had the chance of accumulating large inventories of supplies.

An ominous silence overhangs the industry at a time when it deserves that the situation be clarified.

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• For further information about the Maintenance Program or the Relocation Service, look up Dictaphone in your local telephone directory, or write or wire us direct. Dictaphone Corporation Ltd., 86 Richmond St. W., Toronto.

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GOLD & DROSS

It is recommended that answers to inquiries in this department be read in conjunction with the Business and Market Forecast.

PAGE-HERSEY TUBES

Editor, Gold & Dross:

I am the owner of a number of common shares of Page-Hersey Tubes Limited, and would like your opinion on whether I would do better to continue holding this stock or switch to something else. I refer particularly to the drop in earnings per share shown in the annual report for 1941.

F. G. C., Westmount, Que.

While I certainly can't say you wouldn't do better with something else, I see no reason for discouragement with Page-Hersey common. The company is doing very well, and is in a very strong financial position.

Taking investments at market value, net working capital at the end of 1941 was \$7,185,933, equal to over \$41 on each of the outstanding 174,276 shares of common stock, which is the sole capital obligation. Cash and investments (at market value) alone aggregated \$4,802,037, or nearly \$28 a share, and were \$1,905,541 in

excess of all current liabilities at the end of 1941. In relation to dividend continuity, the company's powerful financial position is particularly important under current conditions when increasing demands are made on cash resources to take care of rising taxes and increased corporate requirements generally. Moreover, net income in recent years have indicated a good margin over the current \$5 dividend rate, being equal to \$5.27 a share in 1941, \$5.41 in 1940 and \$6.46 in 1939.

While the future is impossible to predict, the 1941 report stated that the company's plants, which are in a high state of efficiency, are operating at capacity, and if essential supplies of raw materials are available, operations should continue at a high level during the current year.

EASTERN STEEL

Editor, Gold & Dross:

I would like information about the earnings of Eastern Steel Products Limited, as I am thinking of buying into this stock. How do the earnings last year compare with previous years? I presume the company is getting war business; is this so? How is it fixed for working capital?

B. H. B., Hull, Que.

Yes, Eastern Steel Products is getting war orders, and they were largely responsible for a considerable improvement in earnings in 1941.

Net income of \$157,120, equal to \$8.73 per share on the 5% preferred stock, \$20 par, and to \$2.40 per share common, reported by the company for the year ended November 31, 1941, represented the highest level attained since 1929, despite the fact that tax provision of \$223,000 for the latest year was double the 1940 provision of \$110,162 and was twelve times the 1939 provision of \$19,000. For the year ended in 1940, net income had been \$87,855, equal to \$4.88 per share preferred and \$1.20 per share common and for 1939 net income was \$83,427 or \$4.63 per share preferred and \$1.06 per share common. Tax provision for the latest year was equivalent to \$3.84 per share on the common stock.

As a dividend of only \$1 per share was paid on the common for the latest year, the same amount as for the four previous years, the company was able to increase its net working capital from \$946,650 to \$1,119,193.

MALARTIC

Editor, Gold & Dross:

Please advise if National Malartic and Rand Malartic are subsidiaries of or controlled by the same interests as East Malartic and Malartic Gold Fields. Do you consider the first two mentioned companies have a reasonable chance of improving their present position?

A. G. F., Wolfville, N.S.

As far as I am aware control of National Malartic and Rand Malartic is in no way connected with that of East Malartic or Malartic Gold Fields. Hollinger and Noranda have been providing finances since last year for development at National Malartic.

Substantial ore reserves have been indicated at National Malartic by diamond drilling in the north zone and development of the south zone from the Sladen Malartic workings. Diamond drill indications gave considerably higher values in the north zone than those encountered in the south zone and drifting is now underway on two levels in the former area. First results from the cross-cutting gave excellent results. If developments warrant, a new company will be formed to take over the property and assets.

A new diamond drilling program is planned for Rand Malartic this summer. There have been several efforts in the past to locate a commercial orebody but these have not been fully successful. Some excellent ore intersections were encountered but it was difficult to co-relate these.

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QUARTERLY DIVIDEND

NOTICE is hereby given that a dividend of 1 1/4%, being at the rate of 5% per annum on the paid-in capital stock of the Company, has been declared for the quarter year ending March 31st, 1942, payable April 15, 1942, to shareholders of record at the close of business March 31st, 1942.

By Order of the Board,

J. WILSON HERRY,
GENERAL MANAGER

THE CANADIAN BANK OF COMMERCE

DIVIDEND NO. 221

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 30th April 1942 and that the same will be payable at the Bank and its Branches on and after Friday, 1st May next to shareholders of record at the close of business on the 31st March 1942. The transfer books will not be closed.

By Order of the Board

A. E. ARSCOTT,
General Manager

Toronto, 20th March 1942

Penmans Limited

DIVIDEND NOTICE

NOTICE is hereby given that the following Dividends have been declared for the quarter ending 30th day of April, 1942.

On the Preferred Stock, one and one-half per cent (1 1/2%), payable on the 1st day of May to Shareholders of record of the 30th day of April, 1942.

On the Common Stock, seventy-five cents (75c) per share, payable on the 15th day of May to Shareholders of record of the 30th day of April, 1942.

By Order of the Board,

C. B. ROBINSON,
Secretary-Treasurer
Montreal,
March 18, 1942.

NOTICE OF DIVIDEND

Famous Players Canadian Corporation Limited

NOTICE is hereby given that a dividend of Twenty-five Cents (25c) per share has been declared on all issued common shares of the Company without nominal or 10% value, payable on Monday, the 27th day of April, 1942, to shareholders of record Saturday, the 11th day of April, 1942.

By order of the Board,

N. G. BARROW,
Secretary

DATED at Toronto, this 24th day of March, 1942.



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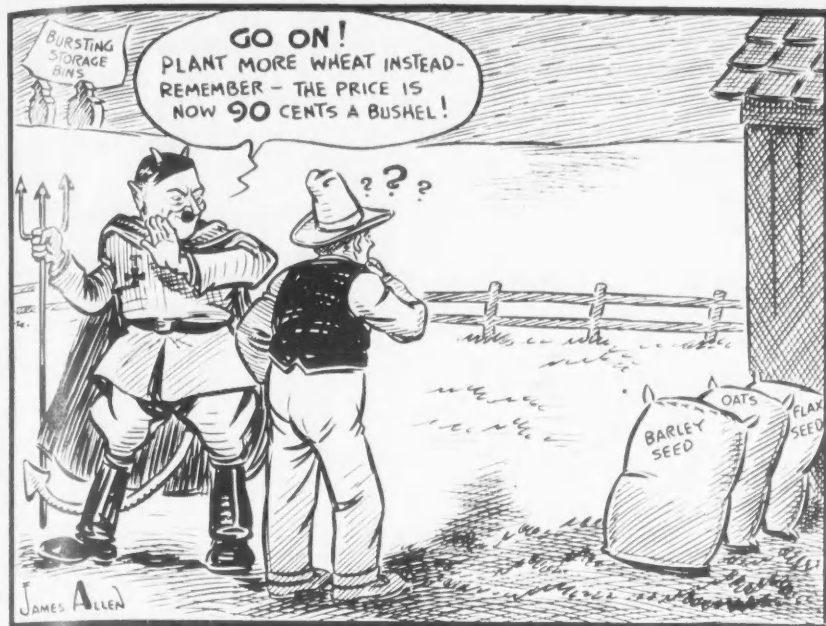
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THE TREND TODAY IS TO GAS



TEMPTATION

BUSINESS AND MARKET FORECAST

BY HARUSPEX

CYCLICAL, OR ONE TO SEVERAL-YEAR TREND: American common stocks, in our opinion, entered an accumulation area in February 1941, and have subsequently been churning in that area preparatory to eventual major advance.

INTERMEDIATE, OR SEVERAL-MONTH TREND: The New York stock market is currently in process of forming a base, such as those of May-to-June 1940 and February-to-May 1941, from which intermediate advance can be erected. Evidence is lacking that the period of price unsettlement currently attendant on this base formation has ended.

POLITICS DEPRESSING INFLUENCE ON MARKET

Over the past nine years capitalistic sentiment has been strongly influenced by political considerations. The force of these political developments has been largely in the direction of paralyzing confidence. As a result, business has been unable at any time during the interval to achieve a sound recovery. Despite this fact, however, the New York stock market, during the nine years in question, has registered several substantial advances. The first advance took place in the spring and summer of 1933, carrying prices upward some 116%. The second advance ran from July 1934 to March 1937 and witnessed a price rise of 128%. The third advance commenced in March of 1938 and prices had carried upward by some 61% when war terminated the movement.

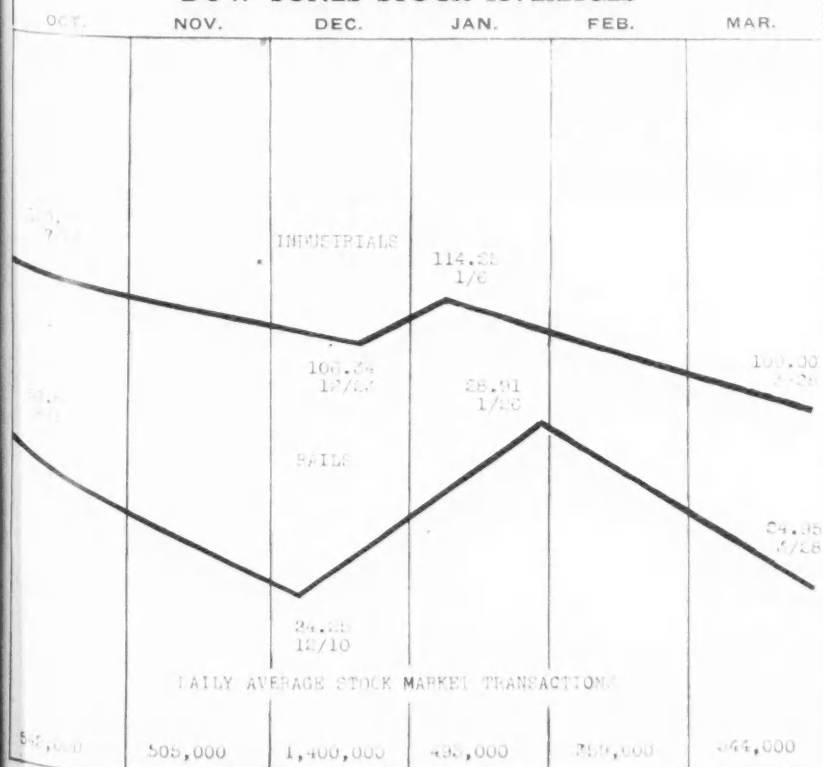
ALLIED OFFENSIVE WILL STRENGTHEN MARKET

From May 1940, when the German armies cracked the French defense system, the Axis has been on the offensive; the Allies, on the defensive. This has naturally been a depressant force so far as the market is concerned. In combination with the disturbed political background there has been little on which a substantial market advance could be erected. At some point ahead, if we assume the Allies are to win the war, there must occur a change wherein the Allies will assume the offense; the Axis, the defense. Either at this point or when it is clear that such a point is in sight, it is probable that market advance will be seen.

FIRST MARKET LIFT PROBABLE ON WAR FRONT

Stated otherwise, if either of the two major depressants now affecting the New York stock market is lifted, it is logical to assume that prices will rebound upward. Of these current depressants it would seem more probable that the earlier lift is to be witnessed in the theatre of war rather than that of politics. In this connection it is interesting to note that the New York stock market, as reflected by the two averages, has failed to move below the low point established in May and June 1940. This implies readiness for advance once the war news turns for the better.

DOW JONES STOCK AVERAGES



GOLD & DROSS

CENTRAL PATRICIA

Editor, Gold & Dross:

Information on earnings and outlook of Central Patricia Gold Mines would be much appreciated, particularly as to plans for this year.

N. J. M., Three Rivers, Que.

Annual report of Central Patricia Gold Mines for 1941 showed net earnings of 25 cents a share as compared with 26 cents in the previous year and ore reserves 442,499 tons of 0.41 oz., grade against 437,975 tons of the same grade, or sufficient for more than three years' milling. Mill capacity was increased and this allowed treatment of lower grade ore, but the increase in production was more than offset by a rise in operating costs.

This year the company plans to continue exploration of areas, underground and at surface, where geological conditions are considered promising. Development of the four bottom levels at 1,600, 1,750, 1,900 and 2,050 feet was continued last year and levels at 750, 1,000 and 1,300 feet extended to develop known ore zones and for general exploration. Development of the western zone at 1,600 feet has proven an orebody, F-16-4, 54 feet long and 15 feet wide, grading 0.31 oz. per ton. At the 1,900-foot level this shoot is represented by a body of smaller dimensions and 0.11 oz. grade. No extension of the Foreshoots has yet been disclosed on the 2,050 level but exploration is not yet completed. A winze is now being sunk from the 2,050-foot level to 2,650 feet for the establishment of four more horizons.

MAPLE LEAF MILLING

Editor, Gold & Dross:

Can you tell me how Maple Leaf Milling Company is doing, and what the prospects seem to be? I shall be grateful for any information. What about earnings?

L. S. P., Winnipeg, Man.

I am informed that Maple Leaf Milling Company's business for the first half of the company's current fiscal year, or the six months ended January 31, 1942, was relatively better than for the corresponding months of the previous year. The mills were operating practically at capacity throughout the period, with export business good and domestic business satisfactory—the latter reflecting the increased purchasing power of the public.

The company has a balance of export orders on hand, with continuation of export business for the industry in general depending on shipping facilities being available. In the year ended July 31, 1941, operating profits of Maple Leaf were the best since the figures were first consolidated eleven years ago. Net earnings were equal to \$3.61 a share on the Class A preferred stock before participation with the common, and on a participating basis to \$1.48 per share on Class A and to 78c a share on the common stock.

BUNKER HILL EXTENSION

Editor, Gold & Dross:

Some shares of Clifton Consolidated and Bunker Hill Extension Mines have just come into my hands, and would like to know if either company has any prospects.

V. C. D., Yarmouth, N.S.

No activity has been reported by Clifton Consolidated for over five years.

The principal asset of Bunker Hill Extension is its holding of 300,000 shares of Beaverhouse Lake Gold Mines, which company is also inactive. When the Beaverhouse property closed down in 1939, probable ore reserves were estimated at over 92,000 tons, averaging over \$13 a ton. Both companies appear to be marking time pending an improvement in financing conditions. Bunker Hill also has other investments including 125,000 shares of Frontier Red Lake Gold Mines, which will eventually be exchanged for Gold Frontier shares on the basis of one new for each two held. No market exists at present for either of the stocks.

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ABOUT INSURANCE

Better Fire Protection Required

BY GEORGE GILBERT

It must be admitted that the maintenance of a high standard of fire protection, both public and private, is of distinct advantage at all times, as it has a direct bearing on the amount of the annual bill which must be paid by the people for insurance protection.

But in wartime, with its increased danger of fires from sabotage and air raids, it becomes imperative that all types of structures of any size in which people live or work or congregate shall be made as fire-safe as possible, with extra protection provided to meet the additional hazards now facing us.

IT IS true that during the past twenty years much good work has been accomplished by public and private organizations in bringing improved fire protection and fire prevention methods into more general use, with the result that the cost of fire insurance to the public in Canada has been reduced from an average rate of \$1.13 per \$100 in 1921 to 60 cents per \$100 in 1940.

Yet the fact remains that largely through ignorance of the fundamental principle that the vertical spread of fire is very rapid, but also due to a desire to cheapen construction or to provide better light and air, many of the multi-storied buildings in our cities still have stairways, light shafts, elevators and hoistways extending through all or most of the floors. These, in effect, constitute chimneys through which, in case of fire, the heated gases of combustion rise rapidly, causing asphyxiation of those persons on the upper floors and also the quick ignition of any burnable material.

Death Rides Up

Safety of life under these conditions of rapid spread of fire up vertical shafts can only be obtained through the installation of automatic extinguishing equipment. As fire travels to the top of a five-storey building in this way in the space of two or three minutes, no alarm system can alone be assumed as assuring safety. According to expert insurance engineers, this is true irrespective of the type of building, whether classed as fireproof, fire-resistant or ordinary.

Thus safety of life and unprotected vertical openings cannot both exist in the same building. Even

though fire escapes are provided in ample manner, the fire record shows that death rides with the upward travel of the flames and smoke through these vertical openings. A large percentage of the tenements, apartment buildings, hotels and office buildings, even in cities which now have suitable building code requirements, are still of this type of construction.

Even some of the modern buildings have only certain of the stairways enclosed, that is, those that are classed as exits. Although designed for safety of life, exits alone can never provide complete safety. Many instances are in the fire record, particularly in connection with buildings where people sleep, of a fire producing enough flame, smoke and toxic gases to cause the death of persons in their sleep or while trying to get to an exit.

Experts point out that even where there is adequate protection of vertical openings through the enclosure of stairways and elevators, there is a possible hazard to the life of occupants on the floor on which the fire occurs, due to the common practice, especially in hot weather, of blocking open the fire doors on stair enclosures. Because of such conditions, quick discovery of a fire is undoubtedly an important factor in saving life. This is especially true in many of the older buildings where, because of wooden floors or sub-standard fire doors and enclosure partitions, there will be only a moderate retardation of the fire.

a certain degree of safety to able-bodied individuals and make the premises more accessible to the firemen. But experts on fire protection agree that safety of life can never be assured by any amount of additional exit facilities in these multi-storied buildings which have readily available vertical flues, such as are provided by open stairways and elevators, which will carry heated gases, smoke and flame to the upper floors.

Lives Endangered

It is recommended that following the inspection of any such building,

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ABSOLUTE SECURITY
W. R. HOUGHTON, MANAGER



W. R. HOUGHTON, Canadian Manager
RIDOUT & STRICKLAND CO. LTD.
Toronto Agents

Individual Statements of the

Hardware Mutuals

as of December 31, 1941

As Filed with Insurance Departments

ASSETS		LIABILITIES and SURPLUS	
	Hardware Dealers Mutual Fire Insurance Company Home Office: Stevens Point, Wisconsin	Minnesota Implement Mutual Fire Insurance Company Home Office: Owatonna, Minnesota	
Bonds*	\$7,041,994.83	\$5,623,191.53	
* This item represents U.S. Government, State, Dominion and Provincial, Municipal, Public Utility, and Railroad bonds of the highest grade, which are valued on an amortized basis.			
Real Estate	26,098.20	432,008.64	
This represents real estate owned by the Companies.			
Mortgages	12,628.00	3,000.00	
These are represented by first liens on improved real estate.			
Interest Accrued	28,405.43	46,450.06	
This represents the amount of interest already earned on bonds, mortgages, and bank deposits, but not due the Companies until after December 31, 1941.			
Premiums in Course of Collection	343,184.66	363,089.90	
This represents premiums due from policyholders, none of which has been owing the Companies for more than ninety days.			
Due From Insurance Companies	5,308.02	20,110.56	
This represents loss payments due from reinsuring companies.			
Cash in Banks	1,738,858.34	1,149,461.00	
Total Admitted Assets	\$9,196,477.48	\$7,637,311.69	
Current Savings Up to 40%			
	Hardware Dealers Mutual Fire Insurance Company Home Office: Stevens Point, Wisconsin	Minnesota Implement Mutual Fire Insurance Company Home Office: Owatonna, Minnesota	
Reserve for Losses	\$ 222,751.00	\$ 238,940.00	
This reserve is computed in accordance with the insurance laws of the various states and is in excess of the Companies' estimated liability on all losses incurred but unpaid on December 31, 1941.			
Reserve for Unearned Premiums	4,566,678.89	4,805,842.37	
This item represents the unearned portion of premiums received prior to December 31, 1941, for insurance extending beyond that date.			
Reserve for Taxes	121,000.00	140,000.00	
This reserve is set aside for the payment of taxes on premiums and other miscellaneous taxes.			
Reserve for Dividends	300,000.00	200,500.00	
This represents policyholders' dividends declared but not payable until after December 31, 1941.			
Reserve for Other Liabilities	35,360.70	58,355.98	
This is to provide for the payment of amounts not yet due for miscellaneous operating expenses.			
General Voluntary Reserve	430,000.00	300,000.00	
Guaranty Fund	\$ 200,000.00	\$ 200,000.00	
Surplus	3,320,686.89	1,693,673.34	
Surplus to Policyholders	3,520,686.89	1,893,673.34	
Total Liabilities and Surplus	\$9,196,477.48	\$7,637,311.69	

FEDERATED HARDWARE MUTUALS

Hardware Dealers Mutual Fire Insurance Company, Stevens Point, Wisconsin

Minnesota Implement Mutual Fire Insurance Company, Owatonna, Minnesota

Eastern Office:
Prudential House, Toronto, Ontario

F. B. DALGLEISH, Chief Agent

Western Office:
Montreal Trust Bldg., Winnipeg, Manitoba

the fire department head should go on record with the owner of the property, and with the mayor or chief executive of the community, with the statement that the lives of the occupants of the building are endangered. Further, that life cannot be reasonably safeguarded in such a building except by the installation of automatic sprinklers, or by the enclosure of all vertical openings, and that even where such enclosures are provided instead of automatic sprinklers there will be need of automatic fire alarm service in buildings in which many people work or congregate.

There is a general need throughout the country for the enactment and enforcement of suitable laws and regulations which will compel the owners of all such buildings to make them safe for the occupants to live or work in. This should be done before a holocaust takes place to prove the need of such action.

There is also special need of a general check-up, in view of the war emergency, of the public and private fire protection equipment throughout the Dominion. In the case of public fire protection, this would include a careful check-up of the water supply, fire department equipment, and efficiency of personnel, fire alarm systems, building codes and structural requirements.

Private fire protection is of no less importance than public fire protection, and to function effectively requires water in ample volume and pressure, hydrants, hose, sprinkler systems, standpipes, fire buckets, extinguishers, steam jets, watchmen, alarm service, supervisory service, lightning conductors, fire exits, fire escapes, tanks, reservoirs, etc., all of which should be carefully checked over so that nothing will be left to chance at this time when maximum production of essential materials must be maintained.

Inquiries

Editor, About Insurance:

Is there any difference between a "life insurance trust" and an ordinary trust agreement? Does a life insurance trust have any effect in reducing the amount to be paid in succession duties?

C. B. H., Hamilton, Ont.

The only difference between a life insurance trust and an ordinary trust agreement is that the life insurance trust is created for the sole purpose of holding life insurance policies, collecting the proceeds at the time of the insured's death, and disbursing or administering them in accordance with the terms of the trust agreement.

As far as succession duties are concerned, it has no effect one way or the other. In Ontario, life insurance money is subject to this tax the same as other property passing at death. There is no special exemption in regard to insurance money.

Editor, About Insurance:

Do the insurance companies sell Government annuities, and is there any advantage in purchasing such an annuity through an insurance company?

S. M. M., Moose Jaw, Sask.

Government annuities are not sold through life insurance companies but by the Government itself through

the various Post Offices or its own special representatives or through the Annuities Branch of the Department of Labor. Life insurance companies sell their own annuities.

While the cost of a Government annuity is lower than the cost of an insurance company annuity, there is no cash or loan value in a Government annuity at any time, and no part of the principal sum is withdrawable under any circumstances. Although this feature of a Government annuity may be of distinct advantage in many cases, as it prevents

the diversion of any of the money from the purpose for which it was intended—the provision of an income—there are other cases in which it may prove a hardship, because in early life one cannot tell what the predominant need will be at age 60 or 65—whether it will be income or principal sum. Under an insurance company deferred annuity, one has the option of taking either income or principal sum, or part income and part principal, whichever best meets one's requirements at the time the income from the annuity is to begin.

adjustment, where must it take place first? Surely in the land where the tools of manufacture are most immediately to hand, and from which they can be most easily supplied to the partner actually at grips with the enemy. Surely in Britain.

We must not let a stubborn inflexibility hinder our reasoning on this point. Nor must we permit ourselves the luxury of thinking of the pos-

sible value of great standing armies immediately after the armistice. The first job is to get the tools of war through to Russia and China. They are fighting on land. If we, the British, give them the tools they will go far towards finishing the job. Let there be no stupidity about the necessity for Britain to win the final battle. It doesn't matter who wins it provided the Nazis lose it.

British Manpower

BY GILBERT C. LAYTON

Saturday Night's Financial Correspondent in London

Total war by the United Nations requires, above all else, the efficient use of their resources in manpower. Armies are of little use without the full equipment of modern war and lacking the ships to transport them to their theatres of operation.

The United Nations should plan co-operatively on use of manpower.

THE recent report of the Sir William Beveridge Committee on manpower is shortly to be debated in the British House of Commons. It is to be hoped that Parliament will not seize the opportunity to grind new knives against the old flogging horse, the Army, and neglect the bigger opportunity of urging the Government to a new conception of the manpower problem. It is true that the Army has been prodigal in its use of skilled labor, and, to a lesser degree, so have the Navy and the Air Force. But the argument must not be allowed to stop at a claim for a finer sifting of skill.

The essential point about the Beveridge report was not so much what it said, though it said plenty, but what it took for granted. It took for granted something that Mr. Bevin, the Minister of Labor, certainly never has, that the needs of industry and of the Forces for skilled labor are not to be considered as coming into separate categories of importance. When Germany overran the Low Countries and France she had great armies standing idle. So she brought hundreds of thousands of them back and set them to work in the factories and on the land. Great Britain has had big armies standing at watch for very many months but for the release of one skilled man even favored industries have found it necessary to fight hard.

It is the conception of the right use of manpower which is wrong, and it proceeds from a fundamental misconception about the nature of totalitarian war. More than ever, this is true now. The United Nations have no lack of men. Their crisis is in the machines of war, the planes and the tanks and the guns, the plant to make them in, and the ships to carry them. It was no amateur strategy which saw in the entry of Russia and China and America into the great war, a powerful argument for the recasting of Britain's attitude. It was no armchair criticism which urged that Britain should strip her armies standing at home of many types of skilled workers, so that the factories of Britain, the workshops, and the land, might become a great arsenal for the United Nations, and as near a self-supporting unit in

foodstuffs as possible.

It is, of course, open to the Government to say that the enormous productive potentialities of the United States are being developed at an ever-increasing rate, and that they, in time, will beggar, by themselves, the resources of Nazi Europe and of Japan. In time they doubtless will, but the rub is in the time factor. There is in war a ratio which must be clearly estimated and closely adhered to between fighting men, their equipment, and ships. While no one can see into the mysteries of war fortunes, it is not on that account right to establish armies lacking the full equipment of modern war and short of the ships that would transport them in bulk to the chosen theatres of operations. It is easy to be wise after the event, but it is nevertheless enlightening to reflect how Britain would stand now if she had, after the disappearance of the immediate threat of invasion following Dunkirk, released men from the Army to put up shipyards and to build ships in them, to establish factories and to work in them making tanks and Tommy guns, aeroplanes and bombs.

Now Greater Urgency

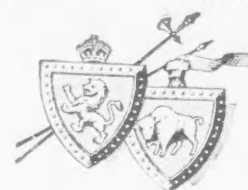
Now the urgency is even greater. It is very well to reflect on the vast potentialities of America. But they are potentialities, and while we talk of our 1943 and 1944 strength, the Japs are acting this month. Germany has the great armies of Russia at her belly, and moving strongly towards her throat. She will scarcely invade Britain now. Japan is moving in places where the limit of Allied strength is the limit of shipping, not of men. In the midst of recent misfortunes, the British people seem to have lost sight of the major fact of the war, that Germany is being defeated on land before our eyes. She is losing hundreds of thousands of men; thousands of square miles of land; she is being bled of equipment. She talks of great plans, and aims to keep the British Isles as a voluntary coffin for millions of keen and eager soldiers. Even if she were not bluffing, it still would be a legitimate risk to let out of Britain's defensive forces say a quarter of a million men to stand behind the ranks of the battling Russian armies, to stand at the lathe, to bore the gun muzzle, to rivet the sides of ships.

Those who war against the Nazis and the Japanese have grown in numbers until now their strategy must employ a considered policy of the division of labor. Britain has made her biggest military mistakes by dissipating her forces across the world, stretching them thin throughout the seven seas, on islands and in remote places, so that hardly ever has an adequate force been concentrated anywhere to meet a hard blow from the enemy. Are the United Nations to make the same mistake in their grand strategy? Is each member of the grand anti-Nazi alliance to maintain its industrial and its fighting forces in the same ratio? This surely is folly. And if there is to be an

FIRE - CASUALTY - INLAND TRANSPORTATION

1906

1942



British Northwestern FIRE INSURANCE COMPANY

BALANCE SHEET AS AT DECEMBER 31, 1941

ASSETS	
Cash in Bank and on Hand	\$ 24,138.22
Balances due by Agents	19,050.10
Accounts Receivable	624.60
Investments:	
Bonds and Debentures, at cost	\$952,742.61
Stocks and Shares, at cost	283,048.08
Real Estate Mortgages, at book value	12,750.00
Real Estate, at book value	2.00
Interest Accrued	1,248,542.69
	11,293.91
Total	\$1,333,648.62
LIABILITIES	
Losses Unadjusted	\$ 12,270.84
Accounts Payable	14,030.30
Taxes Payable—Estimated	19,731.79
Due to Affiliated Companies	12,779.98
Reserve for Bad Debts	5,000.00
Reserve for Unearned Premiums	135,097.49
Capital Stock:	
Authorized—50,000 Shares of \$40.00 each	\$2,000,000.00
Issued—14,860 Shares on which there has been paid	248,699.20
General Investment Reserve Fund	200,000.00
Surplus	686,048.02
Total	\$1,333,648.62

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Company Reports

CANADIAN PACIFIC

GROSS earnings up 29.5 per cent to \$221.4 millions and net earnings up 29 per cent to \$45.9 millions, with expense ratios down before taxes but higher after taxes, are shown in the Canadian Pacific Railway Company's sixty-first annual report covering earnings and operations in 1941.

	1941	1940
Gross earnings	\$221,416,053	\$170,964,897
Work. exps.	\$175,488,517	\$135,325,459
Net earnings	\$45,957,536	\$35,639,438

	1941	1940
Including taxes	79.25%	79.15%
Excluding taxes	71.65%	74.61%

Add to that \$46 millions \$13.4 millions of other income, deduct \$25 millions for fixed charges, and there remained \$34.4 millions to pay \$5 millions in dividends on \$137.3 mil-

lions of 4 per cent non-cumulative preference stock in 1941. As already announced, the company did not pay dividends out of the \$29.3 millions earned on the \$335 millions of ordinary capital stock (or \$2.19 a share, compared with \$1.13 in 1940) because increased earnings of the last two years have been the result almost entirely of war activity, and it was thought to be better to conserve finances to meet the "unpredictable conditions of the postwar period." Capital expenditures and reductions in debt are, however, improving the common equity.

The gross earnings of \$221.4 millions were obtained from the following sources:

	1941	1940
Freight	177.4	135.8
Passengers	25.3	18.8
Mail	3.7	3.6
Express	4.3	4.5
Sleeping, dining	19.8	8.6

Working expenses of \$175.5 millions were thus divided:

	1941	1940
Maintenance:		
Ways and structures	29.5	21.6
Equipment	41.4	33.8
Traffic	4.8	4.9
Transportation	72.2	58.1
Miscellaneous oper.	3.7	2.7
General	7.1	6.7
Rlwy. tax accruals	16.8	7.8

Other income of \$13.4 millions came from: Dividends, \$4.6 millions; net income from interest, exchange, separately owned properties and miscellaneous, \$5 millions; net earnings from ocean and coastal steamships, after \$3.8 millions for depreciation, \$2.8 millions; and net earnings from hotels, communication and miscellaneous properties, after \$1.4 millions for depreciation, \$1 million.

In commenting on the increase of \$40.2 millions in working expenses, the reports states this would have been \$31.1 millions but for the increase in taxes, or 61.6 per cent of the increase in gross earnings. The cost-of-living bonus policy by November had increased payroll to employees by \$3.65 weekly, which will entail \$10 millions a year by the company, if maintained.

THE STEEL COMPANY OF CANADA, LIMITED AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET, DECEMBER 31, 1941

ASSETS		LIABILITIES	
CURRENT ASSETS		CURRENT LIABILITIES	
Cash on hand and in banks	\$ 2,954,406.21	Accounts payable	\$ 3,352,993.29
Guaranteed call loans and deposits with trust companies and banks ..	893,839.92	Accrued wages	590,512.58
Dominion of Canada treasury bills, bonds and other securities, (market value December 31, 1941, \$4,830,722.83)	4,679,036.33	Provision for income, excess profits and other taxes	4,477,496.78
Due from employees on War Loan subscriptions, secured by Dominion of Canada bonds	70,035.25	Unclaimed dividends	8,469.31
Accounts and notes receivable, less reserve	8,066,926.96	Dividends payable February 2, 1942	
Inventories of raw materials, supplies and products, as determined and certified by responsible officials of the companies and valued at the lower of cost or market, less reserve	10,076,587.17	On Preference shares ..	\$194,889.00
	\$26,740,831.84	On Ordinary shares	345,000.00
			539,889.00
			\$ 8,969,360.96
INVESTMENTS (non current)		LOAN FROM DOMINION GOVERNMENT for construction of new plant facilities	
Investments in and advances to associated coal and ore mining companies	1,839,464.85		\$ 4,150,000.00
		Less repaid	1,660,000.00
			2,490,000.00
FIXED ASSETS		PLANT AND OPERATING RESERVES	
Cost of works owned and operated...	61,019,697.75	Depreciation reserve	\$31,965,132.11
		Furnace relining and rebuilding and other operating reserves	2,810,704.64
			34,775,836.75
OTHER ASSETS		BENEFIT PLAN RESERVE (per contra)	
Benefit Plan—cash and investments (per contra)	843,402.56		843,402.56
DEFERRED CHARGES		OTHER RESERVES	
Taxes, insurance and other expenses paid in advance	74,609.95	For betterments and replacements..	\$ 1,829,674.06
	\$90,518,006.95	For fire insurance	200,000.00
		For contingencies	558,999.01
			2,588,673.07
Approved on behalf of the Board		CAPITAL STOCK	
R. H. McMASTER	Directors	Authorized	Issued
H. H. CHAMP		400,000	259,852
			7% Cumulative Preference shares (participating) — par value \$25.00 each ..
			\$6,496,300.00
		600,000	460,000
			Ordinary shares—no par value
			11,500,000.00
			17,996,300.00
AUDITORS' REPORT TO THE SHAREHOLDERS		EARNED SURPLUS	
We have examined the books and accounts of The Steel Company of Canada, Limited, and its subsidiary companies for the year ended December 31, 1941, and report that we have verified the cash on hand, bank balances and all securities and have obtained all the information and explanations which we have required and that, in our opinion, the above consolidated balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the companies' affairs at December 31, 1941, according to the best of our information and the explanations given to us and as shown by the books of the companies.			22,854,433.61
RIDDELL STEAD, GRAHAM & HUTCHISON.			\$90,518,006.95

Approved on behalf of the Board
R. H. McMASTER
H. H. CHAMP Directors

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the books and accounts of The Steel Company of Canada, Limited, and its subsidiary companies for the year ended December 31, 1941, and report that we have verified the cash on hand, bank balances and all securities and have obtained all the information and explanations which we have required and that, in our opinion, the above consolidated balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the companies' affairs at December 31, 1941, according to the best of our information and the explanations given to us and as shown by the books of the companies.

RIDDELL, STEAD, GRAHAM & HUTCHISON,
Chartered Accountants, Auditors
Toronto, Ontario, February 28, 1942.

STATEMENT OF CONSOLIDATED PROFIT AND LOSS

FOR THE YEAR ENDED DECEMBER 31, 1941

PROFIT FROM OPERATIONS after deducting depreciation and all expenses of manufacturing, selling and administration	\$ 4,379,353.22
Add	
Net income from securities, and profit from sales	60,378.73
NET PROFIT FOR THE YEAR	\$ 4,439,731.95

The following amounts have been charged before determining the profit for the year:

Provisions for depreciation, including special depreciation for "War" plant and equipment as authorized by the War Contracts Depreciation Board	\$ 4,742,022.00
Provision for income and excess profits taxes	3,520,000.00
Directors' fees	14,000.00
Remuneration of executive officers	196,737.22
Legal expenses	7,038.31

STATEMENT OF CONSOLIDATED EARNED SURPLUS

Balance at December 31, 1940	\$20,874,257.66
Add	
Net profit for the year ended December 31, 1941	4,439,731.95
	\$25,313,989.61
Deduct	
Dividends declared during the year 1941	
On preference shares at \$3.00 per share	779,556.00
On ordinary shares at \$3.00 per share	1,380,000.00
	\$ 2,159,556.00
Contribution to Pension Trust Fund	300,000.00
	2,459,556.00
Balance at December 31, 1941	\$22,854,433.61

STEEL CO. OF CANADA

OPERATIONS of the Steel Company of Canada, Limited, expanded greatly in 1941, reaching the highest level in the company's history, the annual report shows. Net earnings, despite largely increased write-offs to depreciation and heavier tax requirements, were moderately higher than for preceding year, at equivalent of \$6.17 a share on combined preferred and common stocks outstanding as compared with \$5.92 a share earned in 1940.

The report refers to the large scale plant extensions undertaken during the year under review, part of which was financed by funds advanced by the Dominion government. Of \$4,150,000 advanced for this purpose \$1,660,000 was paid off by company last year. Steel consumption during 1941 increased by 35 per cent as compared with 1940 and by 90 per cent over 1939 level while sales of the company showed an increase of 36 per cent as compared with previous year and 89 per cent over 1939.

Net earnings from operations for past year amounted to \$4,379,353 as compared with \$4,206,095 for previous year while income from securities was down at \$60,379 from \$135,697 in 1940. There were no bond interest changes for year under review as against \$77,408 in previous year; net earnings applicable to dividends on both classes of company's stock were up \$175,000 at \$4,439,738.

In the balance sheet net working capital is shown up at \$17,771,471 from \$15,165,808 at end of preceding year with current assets higher by \$3,800,000 at \$26,740,832 and current liabilities up \$1,200,000 at \$8,969,361.

FEDERATED HARDWARE

DURING 1941, the companies comprising the Federated Hardware Mutuals continued their steady record of progress. They again show strong financial statements. During 1941 assets increased by \$953,970, bringing total combined assets to \$16,833,789. The surplus increase was \$265,043, bringing the total combined surplus of the companies to \$5,414,360.

BRITISH NORTHWESTERN

STEADY growth in business and financial strength was achieved during the past year by the British Northwestern Fire Insurance Company, with head office at Toronto and branches throughout the country. The balance sheet as at December 31, 1941, shows total assets of \$1,333,649, as compared with \$1,193,245 at the end of the previous year, an increase of \$140,404. Total liabilities except capital amounted to \$398,902, showing a surplus as regards policyholders of \$934,747, in addition to which there is a general investment reserve fund of \$200,000.